

auxiliary which has organized 84 units to this date.

The organization is, of course, non-profit, and it has not aspirations which would bring it in conflict with the other large veterans groups. I hope it will be accorded the honor and privilege of a Federal charter.

Tenth Anniversary of Capture of Remagen Bridge

EXTENSION OF REMARKS OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1955

Mr. HAYS of Arkansas. Mr. Speaker, I wish to comment briefly on the significance of the 10th anniversary of the capture of the Remagen Bridge on March 7, 1945. This was one of the heroic acts which turned the tide of battle during World War II. I quote from the Washington News of March 9,

1945, the report sent by C. R. Cunningham, United Press war correspondent:

Victory is in the air on this side of the Rhine, where American troops hit the pay dirt of Germany.

It can't be told yet how the Americans crossed the Rhine, but it took only 15 minutes to get at least one company of infantry to the eastern side yesterday afternoon.

The crossing was a case of spotting an opportunity and grabbing it. Maj. Murray Deever, of Hagarville, Ark., ordered his men across and the company swept into inner Germany.

An earlier dispatch from Cunningham had reported that a Second Lieutenant Burroughs and 1st Lt. Carl Timmerman, of West Point, Nebr., spotted the opportunity and flashed the word to battalion headquarters where Lt. Col. Leonard Engemann, of Minnesota, made the historic decision.

It is with understandable pride that I mention the outstanding contribution made in this historic advance by the late Maj. Murray Deever, of Hagarville, Johnson County, Ark., at that time within the Fifth Congressional District which I have the honor to represent. Johnson County is now a part of the district represented by our able colleague Mr. TRIMBLE.

I am sure that the Members share my feeling of deep appreciation for the service of Major Deever, and those associated with him who contributed so much to the defense of our country.

Slovak Independence Day

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1955

Mr. KEATING. Mr. Speaker, today is the national independence day celebrated by the Slovak people throughout the world. For 10 years their traditions and ideals, firmly dedicated to a heritage very like our own, have been kept alive beneath the cruel oppression of Soviet occupation. Let us join in acknowledging their brave resistance. Let us send them words of hope and cheer. And let us reaffirm our high resolve to help them win freedom and independence once again.

SENATE

THURSDAY, MARCH 10, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercy, bowing at this wayside altar of Thy grace, may we be vividly conscious that we need not turn back to bygone centuries to hear Thy voice, as if Thou dost speak no longer to those now upon the earth. Give us ears to hear Thy imperial imperatives above the noise of crashing systems, yea, Thy voice in and through the change and confusion of our day. May we not imagine that the judgment which shall search the secrets of our hearts is postponed to some far-off future assize, when in these days of destiny, by our response to the want and woe of Thy world and of Thy children, Thy throne is set up. Even now Thou art searching out the souls of men before Thy judgment seat. So, hearing and heeding the voice divine, may our compassion help to heal the open sores of the world as we serve the present age, our calling to fulfill. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 8, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communi-

cated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1954.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 10, 1955.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S.

829) to authorize personnel of the Armed Forces to train for, attend, and participate in the Second Pan-American Games, the Seventh Olympic Winter Games, Games of the XVI Olympiad, future Pan-American Games and Olympic Games, and certain other international amateur sports competition, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 456) relating to the regulation of nets in Alaska waters, and it was signed by the President pro tempore.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Government Reorganization was authorized to meet during the sessions of the Senate today.

On request of Mr. BYRD, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate this afternoon.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be a morning hour for the presentation of petitions and memorials, the introduction of bills, and other routine matters, and I ask unanimous consent that any statements made in connection therewith be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REFERENCE OF REPORT OF SPECIAL COMMITTEE ON INVESTIGATION OF COVER ON MAIL OF SENATORS TO ATTORNEY GENERAL

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed order and ask for its immediate consideration.

The PRESIDENT pro tempore. The proposed order will be read for the information of the Senate.

The legislative clerk read as follows:

Ordered, That the report of the Special Committee on Investigation of Cover on Mail of Senators, authorized by Senate Resolution 332, 83d Congress, 2d session, filed with the Secretary of the Senate on December 3, 1954, by Mr. Ferguson, on behalf of the Committee, and printed as Report No. 2510, be referred, together with the accompanying testimony and exhibits, to the Attorney General of the United States for such action as he deems appropriate.

The PRESIDENT pro tempore. Is there objection to the present consideration of the proposed order? The Chair hears none; and, without objection, the order is agreed to.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the report of the special committee, which consisted of the then senior Senator from Michigan, Mr. Ferguson, and the senior Senator from Georgia [Mr. GEORGE]. The report is brief, and I think it should be printed in the RECORD immediately following the order, for the information of the Senate.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE THE USE OF MAIL COVERS ON SENATOR JOSEPH R. MCCARTHY OR ANY OTHER SENATOR

Senate Resolution 332, adopted December 1, created this special committee and authorized it to conduct an investigation to determine if a cover was maintained on the mail to or from Senator JOSEPH R. MCCARTHY or any other Senator and, if so, the persons responsible and the period during which this cover was maintained.

The committee, consisting of Senator Homer Ferguson, of Michigan, and Senator WALTER F. GEORGE, of Georgia, met pursuant to the resolution Thursday, December 2, to hear testimony from a number of Senators and other witnesses believed to have knowledge of the use of a mail cover.

By way of explanation, a mail cover appears to be an investigative technique which enlists the aid of the postmaster at the office where the coverage would occur to determine the addressee, return address, and postmark of all mail received at a certain address, or addresses.

On the basis of the testimony, it is clear that a mail cover was imposed on first-class mail incoming to Senator JOSEPH R. MCCARTHY at his home address for the period from October 24, 1952, to November 16, 1952. The post office at Washington, D. C., in the request for the mail cover, was asked to furnish the names of addresses, the postmarks, and the names and addresses of the addressors and to forward that information to the committee on a daily basis marked for the attention of Paul J. Cotter, chief counsel.

The mail cover was imposed on all first-class mail addressed to 5157 33d Street NW.,

Washington, D. C., which appears to be the address shared by Senator JOSEPH R. MCCARTHY and Ray Klermas, administrative assistant to Senator MCCARTHY.

Mail covers were also imposed on mail addressed to 3032 24th Street NE., from November 6, 1952, to December 6, 1952. This appears to have been the address of Miss Jean Kerr. The mail addressed to Mr. Donald A. Surine at 9606 Garland Avenue, Takoma Park, Md., was also put under cover, as was mail addressed to 509 13th Street SE., Washington, D. C., from October 24, 1952, to November 16, 1952.

The record is also clear that mail covers were imposed and maintained without the consent of Senator MCCARTHY or any of the others covered.

According to the testimony, no cover was maintained against the mail addressed to Senator MCCARTHY, or anyone else, at the Senate Office Building.

Regulation concerning mail covers is contained in chapter III of the Post Office Manual and reads as follows:

"INFORMATION FURNISHED

"1. Persons to whom information may be furnished: Postmasters and others in the postal service shall not give to unauthorized persons information concerning mail. They shall furnish such information to post-office inspectors, and may furnish it also to the sender, the addressee, or the authorized representative of either, upon satisfactory identification and provided the information requested is proper for the applicant to receive. To aid in the apprehension of fugitives from justice, postmasters may give to officers of the law, upon proper identification, information regarding the addresses, return cards, or postmarks on mail, but shall not withhold such mail from the addressees or delay its delivery. If the information so given to such officers relates to a violation of the postal laws, the postmaster shall report this action immediately to the post-office inspector in charge of the division in which his office is located."

D. H. Stephens, chief inspector for the Post Office Department, testified that never are the contents of the mail inspected and, further, that the mail must not be delayed or withheld as a result of the cover. Nevertheless, it is obvious to your committee that some delay in the mail is unavoidable if the request for coverage is complied with.

These mail covers were imposed in the course of investigation of JOSEPH R. MCCARTHY and William Benton, conducted by the Subcommittee on Privileges and Elections pursuant to Senate Resolution 187 and Senate Resolution 304 of the 82d Congress. Your special committee is convinced on the basis of conclusive evidence that the mail covers were imposed without the knowledge and without the consent of any of the members of the Subcommittee on Privileges and Elections and the chairman of the full committee. They were initiated by chief counsel to the subcommittee, Paul J. Cotter, who was responsible for them, and actually put into effect by Staff Investigators Francis X. Plant and Robert Shortley under instructions from Cotter.

The mail cover was actually requested from the postmasters at Washington, D. C., and Kensington, Md., in letters of request from the subcommittee, which set forth the address to be covered and dates for commencement and termination of the activity. These letters, both in original and file copy, have been received by the committee as exhibits in the inquiry. The originals carry a facsimile of the signature of Subcommittee Chairman THOMAS C. HENNING, JR., made by a rubber stamp. Your committee is convinced that the representation of Senator HENNING's signature was affixed to the letters without his knowledge or consent.

Evidence discloses that a signature stamp of the subcommittee chairman, Mr. HEN-

NINGS, was available in the committee room and in his personal office. The committee is unable to determine upon the evidence who actually stamped any of the letters in question.

The facsimile of Senator HENNING's signature was acted upon by the postmasters at Washington and Kensington, Md., as his actual signature.

The committee received no testimony and no evidence to indicate that mail covers were ever maintained against any other Member of the United States Senate. In fact, the testimony indicates that it has never been done on any other occasion. The committee, however, finds it almost impossible to make an exhaustive finding on this point since a conclusive determination could be made only after examining the records of every post office in the Nation.

Your committee desires in strong language to condemn the use of mail covers by a Senate committee or its staff.

The committee's attention was directed to certain sections of the United States Code, sections 1701, 1702, and 1703, title 18, dealing with obstruction of mails, obstruction of correspondence, and delay or destruction of mail or newspapers. This committee has no authority to refer this matter to the Attorney General of the United States, but the committee recommends that the Senate refer the testimony and exhibits to the Attorney General for such action as he deems appropriate.

Respectfully submitted.

HOMER FERGUSON.
WALTER F. GEORGE.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

VOLUNTARY EXTENSIONS OF ENLISTMENTS IN THE ARMY, NAVY, AND AIR FORCE

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year (with an accompanying paper); to the Committee on Armed Services.

REPORT OF UNITED STATES INFORMATION AGENCY

A letter from the Director, United States Information Agency, Washington, D. C., transmitting, pursuant to law, a report of that Agency, for the period July-December 1954 (with an accompanying report); to the Committee on Foreign Relations.

AMENDMENT OF TRAVEL EXPENSE ACT OF 1949 RELATING TO INCREASED ALLOWANCE FOR TRAVEL EXPENSES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes (with accompanying papers); to the Committee on Government Operations.

AUDIT REPORT ON ALASKA ROAD COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alaska Road Commission, Department of the Interior, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON BUREAU OF INDIAN AFFAIRS

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Indian Affairs, Department of the

Interior, for the fiscal years ended June 30, 1952 and 1953 (with an accompanying report); to the Committee on Government Operations.

PROPOSED AWARD OF CONCESSION PERMIT, LEHMAN CAVES NATIONAL MONUMENT, NEV.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed award of a concession permit at Lehman Caves National Monument, Nev. (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF FLAMMABLE FABRICS ACT, RELATING TO EXEMPTION OF CERTAIN SCARVES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of January 31, 1955 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

A letter from the Chairman, Federal Communications Commission, Washington, D. C., recommending the enactment of legislation amending the Communications Act of 1934, as amended, to provide a small civil penalty for violation of the rules and regulations of that Commission, applicable to all radio stations, other than those in the broadcast services; to the Committee on Interstate and Foreign Commerce.

PAYMENT OF JUDGMENTS BY POST OFFICE DEPARTMENT

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to the payment of judgments by the Post Office Department (with an accompanying paper); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIEN DEFECTORS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain alien defectors (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

CONTRACTS FOR CONDUCT OF CONTRACT POSTAL STATIONS

A letter from the Postmaster General, transmitting a draft of proposed legislation

relating to contracts for the conduct of contract postal stations (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Public Works:

"Senate Concurrent Resolution 6

"Concurrent resolution memorializing the Corps of Engineers and the Congress of the United States relative to the land-acquisition program in the Missouri River Basin

"Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring):

"Whereas the land-acquisition program of the Corps of Engineers of the United States Army in connection with lands required for the Missouri River dams is of such size as to affect a large number of the citizens of the State of South Dakota; and

"Whereas it is unfair to the landowners in that the land appraisals do not take into consideration the fact that the acquisition involves a mass taking of practically the whole Missouri River bottom lands from one side of the State to the other; and

"Whereas as a result of such mass taking, the number of displaced landowners who desire to buy replacement land runs into the hundreds and perhaps thousands and the demand pressure thus built up forces these landowners to pay much higher prices for such land than they are offered by the Government for their land; and

"Whereas as a result of this pressure and increase the landowner is placed in a much worse position than before the taking; and

"Whereas there are relatively large blocks of school and endowment lands held in trust by the State of South Dakota for the benefit of the common schools and other endowed institutions, which lands are now, through long-term leases, a part of, and an asset to, residents of the area to be evacuated; and

"Whereas large bodies of such school lands are not available for lease adjacent to land available for resettlement; and

"Whereas the 'willing seller, willing buyer' concept which has been adopted by the courts as a basis for determining the compensation to be paid the landowner is unfair in that the landowner is not a willing seller but is forced to sell: Now, therefore, be it

"Resolved, That this legislature respectfully requests the Corps of Engineers to take into consideration the cost of replacement land and to adopt a scale of appraisals which will enable displaced landowners to purchase other relatively good land at the amounts received by them; and it be further

"Resolved, That the legislature respectfully requests the Corps of Engineers to abandon the 'willing seller, willing buyer' concept as a basis for its appraisals and that it take into consideration the fact that the landowner is forced to sell; and be it further

"Resolved, That if congressional action be necessary to correct the present unjust system, this legislature respectfully requests the Congress of the United States to take such action promptly; be it further

"Resolved, That the 'willing buyer, unwilling seller' concept be adopted in the appraisal of all such common school and endowment lands held in trust for the benefit of the common schools of the entire State, and all of its existing endowed institutions, when negotiating with the United States Army or any other branch of the United States Government; and commensurate with

provisions to be made for individuals and Indian tribes; be it further

"Resolved, That copies of this concurrent resolution be forwarded to His Excellency the President of the United States; the Honorable Secretary of Defense of the United States; the Honorable Secretary of the Army of the United States; the Chief of the Corps of Engineers of the United States Army at Omaha, Nebr.; to the Honorable KARL MUNDT and the Honorable FRANCIS CASE, United States Senators from South Dakota; to the Honorable HAROLD O. LOVRE and the Honorable E. Y. BERRY, Representatives in Congress from South Dakota; and to the Presiding Officer of both Houses of Congress of the United States.

"Adopted by the 34th Legislature of the State of South Dakota, March 4, 1955.

"L. R. HOUCK,

"Lieutenant Governor,

"President of the Senate.

"NLS BOE,

"Speaker of the House of Representatives.

"Attest:

"NIELS P. JENSEN,

"Secretary of the Senate.

"WALTER J. MATSON,

"Chief Clerk."

A resolution adopted by the House of Delegates of the State of West Virginia; to the Committee on Finance:

"House Resolution No. 25

"Resolution memorializing Congress to protect the coal industry and the economic status of the employees therein by restricting the importation of foreign residual oil

"Whereas the importation of foreign residual oil has stifled the market for the sale of coal; and

"Whereas the curtailment of the sale of coal, resulting directly from the unrestricted importation of foreign residual oil, has and is reducing the living standards of the people of the State of West Virginia and is resulting in untold hardships and needless unemployment to the coal miners in the State of West Virginia; and

"Whereas this importation of foreign residual oil has resulted in a tremendous loss of State revenues to the extent that the State government has been hampered in providing essential services to the people of West Virginia: Therefore be it

"Resolved by the house of delegates, That the Members of West Virginia serving in Congress exert their best efforts in opposing the importation of foreign residual oil into the United States; and be it further

"Resolved, That the clerk of the house of delegates forward attested copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, and the Members of Congress now serving from West Virginia."

A joint resolution of the Legislature of the State of Montana; to the Committee on Appropriations:

"Joint memorial to the Congress of the United States and to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from Montana, and to the Honorable LEE METCALF and the Honorable ORVIN B. FJARE, Representatives from Montana, requesting the appropriation of sufficient Federal funds to be set aside as an emergency fund for Indian relief and welfare of all kinds to be used during the period of adjustment when the United States Government shall withdraw from the field of providing medical, hospital, and other welfare and security needs of the ward Indians of the United States

"Whereas the Federal Government previously has assumed partial responsibility for medical, hospital, and other welfare and security needs of ward Indians of the United States; and

"Whereas it is inevitable that the Federal Government will ultimately withdraw from this field of support; and

"Whereas such withdrawal must necessarily involve financial hardship upon the State of Montana and particularly the counties of Montana wherein large Indian populations are located, on tax-exempt lands: Now, therefore, be it

"Resolved by the Legislative Assembly of the State of Montana (the Senate and House of Representatives concurring), That we respectfully urge the appropriation of sufficient Federal funds to be set aside as an emergency fund for Indian relief of all kinds to be used during this period of adjustment; and be it further

"Resolved, That copies of this memorial be forwarded by the secretary of state of Montana to the Senate and House of Representatives of the United States Congress and to Senators JAMES E. MURRAY and MIKE MANSFIELD, and to Representatives LEE METCALF and ORVIN B. FJARE.

*"GEORGE GOSMAN,
"President of the Senate.
"LEO C. GRAYBILL,
"Speaker of the House.*

"Approved March 4, 1955."

A joint resolution of the Legislature of the State of Montana; to the Committee on Interstate and Foreign Commerce:

"House Joint Memorial 4

"Joint memorial of the Senate and House of Representatives of the State of Montana to the President of the United States; to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States; to the Honorable JAMES E. MURRAY and the Honorable MIKE MANSFIELD, Senators from Montana; to the Honorable ORVIN FJARE and the Honorable LEE METCALF, Representatives from the State of Montana; relating to the long and short haul clause of section 4 of the Interstate Commerce Act

"To the Senate and House of Representatives of the United States in Congress assembled:

"Whereas there will be proposed and introduced in the Congress of the United States legislation providing for repeal of the long and short haul clause of the fourth section of the Interstate Commerce Act; and

"Whereas the repeal of the long and short haul clause would permit railroad companies to assess lower rates and charges for long hauls than for shorter hauls over the same route in the same direction; and

"Whereas the passage of such legislation will result in increased freight rates and charges on articles moving in interstate commerce to and from Montana to the detriment of producers, shippers, and consumers of the State of Montana; that it would encourage discriminations in rates against small shippers in favor of large shippers that would be against the public interest; and would, we believe, be in the end detrimental to the best interests of the railroads themselves: Now, therefore, be it

"Resolved by the House of Representatives of the State of Montana (the Senate concurring therein), That the Congress of the United States is hereby respectfully memorialized and urged to deny the passage of any legislation providing for the repeal or amendment of the long and short haul clause of the fourth section of the Interstate Commerce Act, when, as, and if presented for its consideration; be it further

"Resolved by the 34th Legislative Assembly of Montana, That the Senators and Representatives of the State of Montana in the Congress of the United States be required to put forth every honorable effort to defeat the aforesaid type of legislation upon presentation to the Congress of the United States, and that copies of this memorial be

forwarded forthwith to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Montana.

*"LEO C. GRAYBILL,
"Speaker of the House.
"GEO. M. GOSMAN,
"President of the Senate."*

A joint resolution of the Legislature of the State of Montana; to the Committee on Agriculture and Forestry:

"A joint memorial of the Senate and House of Representatives of the State of Montana, to the Congress of the United States, to the Honorable JAMES E. MURRAY and MIKE MANSFIELD, United States Senators of Montana, and to the Honorable LEE METCALF and ORVIN B. FJARE, Representatives in Congress from Montana, and to the Secretary of Agriculture of the United States requesting an increase in acreage allotments for Montana's premium high-protein milling wheat

"Whereas Montana's economy is substantially dependent upon the prosperity of Montana agriculture; and

"Whereas the production of wheat is a major part of Montana's agricultural economy; and

"Whereas the wheat farmers of Montana have practiced to a high degree summer tillage and strip farming, thus taking out of normal annual production several hundred thousand acres of their wheatland; and

"Whereas the production of wheat in Montana has been lowered further by national reductions in acreage, which has been applied uniformly to all grades and type of wheat; and

"Whereas of the 5 million acres of wheat in Montana in 1953, less than 10 percent was of low-milling quality; and

"Whereas there is no surplus of Montana's hard, high protein, premium quality milling wheats: Therefore be it

"Resolved, That the Secretary of Agriculture be respectfully petitioned to increase the acreage allotments of producers of such premium wheats; and be it further

"Resolved, That if legislative action is required to accomplish such increase in acreage allotments, then the Congress of the United States is hereby respectfully petitioned to enact the necessary legislation; be it further

"Resolved, That copies of this memorial be transmitted by the secretary of the State of Montana to the Congress of the United States of America, Senator JAMES E. MURRAY, Senator MIKE MANSFIELD, Congressman LEE METCALF, Congressman ORVIN B. FJARE, and to the Secretary of Agriculture, Washington, D. C.

*"GEO. M. GOSMAN,
"President of the Senate.
"LEO C. GRAYBILL,
"Speaker of the House."*

"Approved March 2, 1955."

A joint resolution of the Legislature of the State of Arizona, relating to timber land in the Coconino and Sitgreaves National Forest in Arizona; to the Committee on Interior and Insular Affairs.

(See joint resolution printed in full when presented by Mr. HAYDEN on March 8, 1955, p. 2473, CONGRESSIONAL RECORD.)

A joint resolution of the Legislature of the State of Arizona, relating to the establishment of a national cemetery in Arizona; to the Committee on Interior and Insular Affairs.

(See joint resolution printed in full when presented by Mr. HAYDEN on March 8, 1955, p. 2473, CONGRESSIONAL RECORD.)

A resolution adopted by the San Bernardino (Calif.) Real Estate Board, relating to sufficient appropriations to make more effective the services of the Federal Housing Ad-

ministration office in that city; to the Committee on Appropriations.

The petition of James H. Combs, of Kansas City, Mo., praying for a redress of grievances; to the Committee on Finance.

A resolution adopted by the La Mesa Republican Club, of La Mesa, Calif., favoring the enactment of Senate joint resolution 1, relating to the treaty-making power; to the Committee on the Judiciary.

Petitions of Frank F. O'Brien, and sundry other citizens of the State of New York, favoring the enactment of Senate joint resolution 1, relating to the treaty-making power; to the Committee on the Judiciary.

A resolution adopted by the City Council of Baltimore, Md., favoring the enactment of legislation providing increased compensation to postal employees; to the Committee on Post Office and Civil Service.

A resolution adopted by the Association of Highway Officials of the North Atlantic States, at Atlantic City, N. J., favoring the completion of the national system of highways and urban connections; to the Committee on Public Works.

By Mr. McCLELLAN:

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on Appropriations:

"Senate Concurrent Resolution 12

"Concurrent resolution petitioning the Congress of the United States to appropriate money under the Arkansas River multiple-purpose plan and the President of the United States to approve such appropriation for the beginning of construction of dams within the State of Arkansas on the said river as set out in the comprehensive plan and recommended by the United States engineers

"Whereas the Congress of the United States in 1946 authorized a comprehensive plan for the development of the Arkansas River Basin and its tributaries known as the Arkansas River multiple-purpose plan and designed to promote flood control, navigation, generation of electrical energy, and other beneficial uses of the said water; and

"Whereas a combination of domestic and international problems has confronted this United States constantly and continuously since the adoption of the said plan, making it inadvisable to put the construction plans into operation; and

"Whereas construction and development of other river basins in these United States have progressed to near completion, and the requirements of the defense system in this country now dictate a need for the development of the Arkansas River Basin as planned; and

"Whereas control of flow and sediment on certain of the upper tributaries of the Arkansas River has been begun, removing the objections previously expressed by the United States engineers to the commencing of construction of the dams commonly known as the Dardanelle and Ozark Dam; and

"Whereas development of electrical distribution system in the Southwest, and especially in the State of Arkansas, has reached such a point that any and all of the surplus electricity which might be generated by the said dams is now needed and can be completely integrated with existing distribution systems; and

"Whereas the economic conditions both from the standpoint of the development of agricultural pursuits and industrial growth within the Arkansas River Valley and the State of Arkansas demand that this development be commenced immediately: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the 60th General Assembly of Arkansas, That we, the representatives of the people of the State of Arkansas, do insist and urge the Congress of the United States to make an appropriation

In and during the 82d session of the Congress of the United States for the commencement of construction of the Dardanelle and Ozark Dams in Arkansas and approved dams in Oklahoma necessary for control of floods and silt, as located and recommended by the comprehensive plan for the Arkansas River Basin, and if such an appropriation is made, we urge the President of the United States to approve same and direct the United States engineers to begin work without delay; and be it further

"Resolved, That when approved by the Senate and House of Representatives of the 60th General Assembly of the State of Arkansas, that copies of this resolution be forwarded to the President of the United States and to each of the Members of the House of Representatives and the Senate of the United States representing the State of Arkansas and the State of Oklahoma."

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on Interstate and Foreign Commerce:

"House Concurrent Resolution 24"

"Whereas it appears at this time that there is a great need for a trout hatchery to be located in the area known as northwest Arkansas; and

"Whereas from investigation it has been determined that a suitable location for said trout hatchery has been found in the North Fork River, specifically just below the Norfolk Dam; and

"Whereas this location has been approved by the United States Department of the Interior, Fish and Wildlife Service; and

"Whereas the location of this hatchery would be of great service to the people of the area, including Arkansas, Missouri, and Oklahoma; and

"Whereas it would be necessary for the Congress of the United States to appropriate to the United States Department of the Interior, Fish and Wildlife Service, the necessary funds for the operation of this project: Now, therefore, be it

"Resolved by the House of Representatives of the 60th General Assembly of the State of Arkansas (the Senate concurring therein):

"SECTION 1. That the General Assembly of the State of Arkansas hereby respectfully requests the Members of the Congress of the United States from the State of Arkansas to introduce into Congress and seek the passage of proper legislation for the construction of a trout hatchery at Norfolk Dam for the hatching and distribution of trout in the area, and to seek an appropriation for the necessary funds to operate said hatchery."

"Sec. 2. That upon the signing of this resolution by the Governor, the secretary of state is hereby directed to furnish a certified copy hereof to each Member of the Congress of the United States from Arkansas."

*"CHARLES F. SMITH,
"Speaker of the House."*

*"NATHAN GORDON,
"President of the Senate."*

*"ORVAL E. FORBUS,
"Governor."*

"MARCH 9, 1955."

By Mr. JOHNSTON of South Carolina:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Appropriations:

"Concurrent resolution memorializing Congress to provide necessary funds for the development of Port Royal Harbor in South Carolina"

"Whereas Port Royal Harbor, lying between the port of Savannah, Ga., and the port of Charleston, S. C., is regarded as one of the excellent harbors on the Atlantic coast; and

"Whereas during the year 1954 the Congress of the United States passed an act authorizing the development of this great har-

bor for commercial and military purposes; and

"Whereas although this authorization was passed nearly 1 year ago, there have been no funds allotted by the Congress of the United States for this much needed work; and

"Whereas the development of this harbor in the southeastern section of South Carolina will greatly implement the economic development of this section of South Carolina and the entire State of South Carolina, and will further develop one of our great natural resources into a facility which can bring prosperity and development to the entire State of South Carolina: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the Congress of the United States be memorialized to take such steps as are required to provide the necessary funds for the development of the Port Royal Harbor into a useful facility for commercial, military, and naval purposes; be it further

"Resolved, That a copy of this resolution be forwarded to the two Members of the Senate and to each Member of the House of Representatives from this State, to the chairman of the Ways and Means Committee in Congress, and to the chairman of the Finance Committee of the United States Senate."

NARCOTICS BUREAU—LETTER AND RESOLUTION

Mr. WILEY. Mr. President, on Friday, March 4, I pointed out in the CONGRESSIONAL RECORD on pages 2386-2387 that the American Pharmaceutical Manufacturers' Association rightly opposes any proposed transfer of the United States Bureau of Narcotics from the Treasury Department to the Justice Department.

I definitely concur in the position adopted by that association.

Today I have been pleased to hear from Dr. Karl Bambach, executive vice president and secretary of the American Drug Manufacturers' Association, who has written to me endorsing my position and conveying a similar resolution which has previously been adopted by the distinguished organizations which he represents.

I believe that an exceedingly strong and valid case has been made against any transfer of the Bureau. I feel sure that those of my colleagues who are increasingly looking into this problem of narcotics addiction will recognize the soundness of the position adopted by the pharmaceutical industry.

I ask unanimous consent that Dr. Bambach's letter, along with the resolution which he had forwarded, be printed in the RECORD and thereafter referred to the Senate Finance Committee.

There being no objection, the letter and resolution were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

AMERICAN DRUG MANUFACTURERS' ASSOCIATION.

Washington, D. C., March 8, 1955.

HON. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Your statement in the CONGRESSIONAL RECORD for March 4, 1955, has been read with interest. On behalf of the American Drug Manufacturers Association, I would like to state that your observations are most constructive and pertinent.

The provision in Senate Joint Resolution 19 that the functions of the Bureau of Nar-

cotics are to be transferred from the jurisdiction of the Treasury Department to the Department of Justice has been a matter of great concern to the American Drug Manufacturers Association and its member companies. A formal resolution was adopted by our executive committee on February 21 and I am enclosing a copy of this statement. A membership list of the association is also enclosed.

The enclosed resolution and this letter may be used in any way in which you see fit. Copies of the resolution have been sent to each of the Senators sponsoring Senate Joint Resolution 19 and also to members of the Senate Committee on Finance.

Whether or not other portions of Senate Joint Resolution 19 have merit, we are strongly opposed to the provision mentioned above. Through several decades the ethical pharmaceutical industry and the Bureau of Narcotics have worked constructively together. Our combined efforts have made it possible for the citizens of the United States to have narcotic drugs available at any time and in any location for legitimate medical treatment. This is particularly vital in emergencies, such as serious automobile accidents, and any change in this arrangement which would tend to limit the medical availability of narcotics would not be in the public interest. During many years the proper distribution of narcotic drugs has been accomplished with an absolute minimum of illegal diversion. I think I am correct in stating that an insignificant quantity of narcotics is obtained by addicts from manufacturers, wholesalers, and retail pharmacists. This successful accomplishment is due to the constructive work of the Bureau of Narcotics in regulating narcotic drug distribution with the other capable groups in the drug trade.

If the functions of the Bureau of Narcotics should be transferred to the Department of Justice, there is a grave danger that through the years the emphasis on the control of narcotics would gradually change to rest upon enforcement and investigatory activities, and not upon regulatory and administrative functions. While we have the highest regard for the Department of Justice and its agencies, it must be recognized that the Department is not equipped to serve as an administrative and regulatory body in technical fields. On the other hand, the Treasury Department has a number of other regulatory functions similar to the control of narcotics and none of these should be transferred to the Department of Justice.

Furthermore, the chain of control of narcotic drugs is accomplished by means of a Federal tax which is properly administered by the Treasury Department.

Should the control of narcotics through the years grow into a function which is primarily a policing activity, we believe that the distribution of essential narcotic medication would be curtailed and the drugs would become less readily available for medical treatment, particularly in rural areas. Wholesalers and retailers, who now stock these drugs, would discontinue them under those conditions.

We respectfully ask your consideration of these points, with the thought that appropriate changes could be made in Senate Joint Resolution 19 which would not alter the present authority of the Bureau of Narcotics of the Treasury Department. Your interest in this important problem is deeply appreciated.

Sincerely yours,

KARL BAMBACH,
Executive Vice President.

RESOLUTION APPROVED BY EXECUTIVE COMMITTEE, AMERICAN DRUG MANUFACTURERS ASSOCIATION, FEBRUARY 21, 1955

Whereas Senator PAYNE (Maine) has, with 41 cosponsoring Senators, introduced Senate Joint Resolution 19, including an Omnibus Narcotic Control Act of 1955 and providing

among other things for the transfer of the functions of the Bureau of Narcotics from the jurisdiction of the Secretary of the Treasury to that of the Attorney General; and

Whereas House Joint Resolutions 141, 147, 149, and 155 have been introduced in the House of Representatives, containing similar provisions and many other similar pieces of legislation are being contemplated: Now, therefore, be it

Resolved, That the American Drug Manufacturers Association, in connection with the foregoing, and directing its attention exclusively to the principle of transferring the functions of the Bureau of Narcotics to the jurisdiction of the Attorney General, believes that such a transfer is wrong and contrary to the best interests of the public for the following reasons; to wit:

1. The Bureau of Narcotics is staffed from the Commissioner down with very able and competent public officials who have administered the Federal narcotic laws in efficient fashion. If any weaknesses exist, they exist in the laws and international control and not in the personnel of enforcement, or in the Secretary of the Treasury. To transfer the functions of the Bureau of Narcotics to the Department of Justice would, in our opinion, destroy the present Bureau which has proved so valuable throughout the years.

2. The principal source of illicit drug traffic in the United States is wholly beyond the control of the Bureau of Narcotics, or any Federal agency, and is entirely in the control of Red China, Soviet Russia, and many other countries outside of the so-called Iron Curtain who call themselves allies of the United States.

3. Inasmuch as the problem of illicit narcotics is primarily international, it is of first importance that the Bureau of Narcotics be and continue in close association with, the Bureau of Customs under the Secretary of the Treasury, in order to better protect the public against the introduction of illegal narcotics into this country.

4. Consideration should be given to the fact that one of the principal duties of the Bureau of Narcotics is to manage, control, regulate, and encourage the distribution of narcotics in legitimate channels for the benefit of the injured, sick, and dying.

5. The United States drug manufacturing industry and the Bureau of Narcotics have for many years worked in an atmosphere of constructive cooperation. The many technical activities carried out by the Bureau of Narcotics inspectors and administrators can be more effectively performed by a regulatory agency than by a police agency.

6. The Department of Justice is largely an enforcement organization without the experience or technical staff to appreciate or properly administer the very technical phases of the distribution of narcotics through legitimate drug, hospital, and medical channels, nor the very scientific problems of drug addiction.

7. It is of the utmost importance to the public of the United States that there be no hindrance to the proper distribution of narcotics through legitimate channels to the end that when human suffering exists, narcotics may be immediately available for administration by appropriate professional persons. Any change which would hinder legitimate medical use and availability of narcotics in emergencies, anywhere in this country, would not be in the public interest.

8. Inasmuch as practically every piece of Federal legislation involving trade practices in this country contains some regulatory provisions, it would be just as logical to transfer the administration thereof to the Department of Justice as the Bureau of Narcotics, but for sound and proper reasons, they will not be so transferred; and be it further

Resolved, That a copy of this resolution be sent by the executive vice president and

secretary of the American Drug Manufacturers Association to appropriate Senators and Representatives as evidence of the position of this association in respect of the contemplated legislation.

FEDERAL AID FOR SOIL CONSERVATION SERVICE—LETTER AND RESOLUTION

Mr. WILEY. Mr. President, I present a resolution which I have received from Mr. Harry Schuyler, secretary of the Wisconsin Association of Soil Conservation District Supervisors. This resolution was adopted by the Association at its annual meeting held in Madison, Wis., on February 3, 1955.

It has been my conviction that the Soil Conservation Service renders invaluable service to our country. Its program is designed to safeguard the best interests of farmers and all the people of our Nation and of future generations.

In recognition of this vital subject, I ask unanimous consent that the letter and accompanying resolution be printed in the *Record* and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the *Record*, as follows:

WISCONSIN ASSOCIATION OF SOIL
CONSERVATION DISTRICT SUPERVISORS,
Fish Creek, Wis., February 11, 1955.
Senator ALEXANDER WILEY,
Washington, D. C.

DEAR ALEX: I was instructed by the Wisconsin Association of Soil Conservation District Supervisors, at its annual meeting held in Madison on February 3, 1955, to send you the attached resolution in behalf of the Soil Conservation Service.

The resolution expresses the opinion of supervisors from 67 countywide soil-conservation districts of Wisconsin.

We supervisors believe that the Soil Conservation Service should continue to be supported 100 percent by Federal funds if this organization is to continue to effectively serve the best interests of farmers and all people of our Nation.

Very truly yours,

HARRY SCHUYLER,
Secretary.

RESOLUTION ADOPTED BY WISCONSIN ASSOCIATION OF SOIL CONSERVATION DISTRICT SUPERVISORS, FEBRUARY 3, 1955

In looking back over accomplishments of the Soil Conservation Service in soil conservation districts in Wisconsin, real progress has been made. Cooperation between this agency and others working in the field of soil and water conservation in the State is most excellent.

Wisconsin has long recognized the wise use and vital importance of our natural resources and has helped develop soil and water conservation and good land use for the agriculture within the State.

We recognize the sound farmland and water policies adopted by Congress in the past and would very much like to see it continued.

Whereas the Soil Conservation Service has demonstrated its ability to serve with outstanding efficiency and skill in soil conservation districts of America; and

Whereas any transfer of responsibilities or change of organization of this agency would delay and decrease progress in our soil and water conservation efforts: Now, therefore, be it

Resolved by the Wisconsin State Association of Soil Conservation Districts, in annual session, That it favors—

1. Continuation of the Soil Conservation Service under the present financial and administrative form with responsibility for carrying out programs developed by the locally administered Soil Conservation Districts and for furnishing technical assistance in the development of small watershed conservation projects.

2. Appropriation of Federal funds for the Soil Conservation Service in sufficient amount to permit accelerated progress in the important work of protecting and saving our vital soil and water resources and for additional responsibilities under the Small Watershed Act; further

Resolved, That a copy of this resolution be sent to each Senator and Representative in Congress.

AMENDMENT OF NATURAL GAS ACT—RESOLUTION OF TEXAS DAILY NEWSPAPER ASSOCIATION

Mr. DANIEL. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the *Record*, a resolution adopted by the Texas Daily Newspaper Association, relating to the regulation of the field price of natural gas.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the *Record*, as follows:

TEXAS DAILY NEWSPAPER ASSOCIATION
RESOLUTION

Whereas production of oil and gas accounts for approximately 35 percent of all taxes paid into the Texas treasury; and

Whereas such production vitally affects all phases of Texas economy, members of the Texas Daily Newspaper Association, in convention assembled at San Antonio this 6th day of February, 1955, hereby express alarm that the Federal Government has singled gas production as an industry to control by fixing prices for such production; and

Whereas it is feared that where one phase of the Nation's economy so comes under arbitrary control, the foundation is set for other such advances: Therefore be it

Resolved, That inasmuch as the field price of natural gas is adequately regulated by free competition, there is no need nor justification for such price regulation by the Federal Power Commission as is now being undertaken under the so-called "Phillips" decision of the Supreme Court. While regulation of prices charged by public utilities is entirely proper, the gas producing business has none of the characteristics of a public utility.

We are opposed to the extension of price regulation in circumstances in which competition is effective as a regulatory factor. We are also opposed to Federal regulation in any area in which State regulation is applicable as is true for the conservation of natural gas.

We strongly favor Congressional legislation to make doubly clear that the Federal Power Commission have no control over the field price of natural gas, regardless of who produces it. That Congress has intended this all along is shown by its original provision in the Natural Gas Act of 1938, expressly exempting production and gathering from Federal Power Commission jurisdiction, and is also shown by the provisions of the act passed in 1952 reiterating this purpose.

It is further resolved that a copy of these resolutions be sent to each Member of Congress from the State of Texas.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN, from the Committee on Rules and Administration, without amendment:

S. Res. 61. A resolution authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect (Report No. 50);

S. Res. 66. A resolution to provide additional funds for the Committee on the Judiciary (Report No. 55);

S. Res. 67. A resolution to authorize a study of the narcotics problem in the United States (Report No. 56); and

S. Res. 70. A resolution increasing the limit of expenditures by the Committee on Public Works (Report No. 57).

By Mr. GREEN, from the Committee on Rules and Administration, with an amendment:

S. Res. 57. A resolution authorizing further expenditures and temporary employment of additional assistants by the Committee on Banking and Currency (Report No. 48); and

S. Res. 65. A resolution to authorize an investigation of national penitentiaries (Report No. 54).

By Mr. GREEN, from the Committee on Rules and Administration, with additional amendments:

S. Res. 58. A resolution to further increase the limit of expenditures under S. Res. 366, 81st Congress, relating to the internal security of the United States (Report No. 49).

By Mr. GREEN, from the Committee on Rules and Administration, with amendments:

S. Res. 62. A resolution to study juvenile delinquency in the United States (Report No. 51);

S. Res. 63. A resolution providing funds for an examination and review of the administration of the Trading With the Enemy Act (Report No. 52); and

S. Res. 64. A resolution extending the authority to investigate problems connected with emigration of refugees from Western European nations (Report No. 53).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 67. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; with an amendment (Report No. 58).

VIVIAN COLLINS MATHEWS— REPORT OF A COMMITTEE

Mr. GREEN. Mr. President, from the Committee on Rules and Administration, I report an original resolution, and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 74) to pay a gratuity to Vivian Collins Mathews, was read, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Vivian Collins Mathews, widow of Clyde H. Mathews, an employee of the Senate at the time of his death, a sum equal to 8½ months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

TAX RATE EXTENSION ACT OF 1955—MINORITY VIEWS (PT. 2 OF S. REPT. NO. 36)

Pursuant to the order of the Senate of March 8, 1955,

Mr. KERR (for himself, Mr. FREAR, Mr. LONG, Mr. SMATHERS, Mr. JOHNSON of Texas, and Mr. BARKLEY) on March 9, 1955, submitted the views of the minority of the Committee on Finance, on the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a \$20 credit against the individual income tax for each personal exemption, which were ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 10, 1955, he presented to the President of the United States the enrolled bill (S. 456) relating to the regulation of nets in Alaska waters.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,
The following favorable reports of nominations were submitted:

By Mr. KILGORE, from the Committee on the Judiciary:

John Marshall Harlan, of New York, to be Associate Justice of the Supreme Court of the United States, vice Robert H. Jackson, deceased;

Ben F. Cameron, of Mississippi, to be United States circuit judge, fifth circuit, vice Edwin R. Holmes, retired;

William E. Miller, of Tennessee, to be United States district judge for the middle district of Tennessee; and

Mr. Frank Reid, of South Carolina, to be United States marshal for the western district of South Carolina.

By Mr. GEORGE, from the Committee on Foreign Relations:

William A. Kimbel, of South Carolina, to be the representative of the United States of America to the 10th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations; and

Kingsley Davis, of New York, to be the representative of the United States of America on the Population Commission of the Economic and Social Council of the United Nations for a term of 3 years expiring December 31, 1957.

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Clarence G. Morse, of California, to be a member of the Federal Maritime Board, vice Louis S. Rothschild; and

Charles E. Haley, and sundry other persons, to be chief warrant officers in the United States Coast Guard.

By Mr. SALTONSTALL, from the Committee on Armed Services:

Robert Tripp Ross, of New York, to be an Assistant Secretary of Defense.

By Mr. ERVIN, from the Committee on Armed Services:

Russell V. Perry, Jack P. Ancker, and Hugh W. Bush, Jr., for reappointment to the active list of the Regular Army of the United States, from the temporary disability retired list;

John R. Connolly, and sundry other persons, for appointment in the Regular Army of the United States;

Frederick R. Abrams, and sundry other persons, for appointment in the Medical Corps, Regular Army of the United States;

William Broady, and sundry other persons, for appointment in the Regular Army of the United States;

Lowell F. Lawson, for appointment in the Medical Service Corps, Regular Army of the United States; and

John A. Keaczenski, and sundry other students, for appointment in the Regular Army of the United States.

Mr. BRICKER. Mr. President, as in executive session, on behalf of the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON], I wish to report the recommendation of that committee that the nomination of George C. McConaughy, of Ohio, to be a member of the Federal Communications Commission, be confirmed.

The PRESIDENT pro tempore. The nomination will be placed on the Executive Calendar.

Mr. STENNIS. Mr. President, from the Committee on Armed Services I report the nominations of 67 flag and general officers. Certain of these officers are nominated for placement on the retired list in 3- and 4-star rank, which is the rank in which they were, or are, serving on the date of their mandatory retirement. Others are major generals, brigadier generals, or rear admirals, Regular and Reserve, who now hold temporary appointments and who are being nominated for permanent appointment without increase in rank.

A substantial number of nominations of qualified officers for temporary appointment in 1- or 2-star rank was not acted upon by the committee pending a final report to the committee of the Subcommittee on Officer Grade Limitations. We anticipate that this group of flag and general officers will be acted upon within the very near future.

I would point out, Mr. President, that the five general officers of the Army who are being nominated to fill positions of special importance or responsibility in 3-star rank are recommended for confirmation under section 504 of the Officer Personnel Act of 1947 and not under sections 504 and 515.

I request that these nominations be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar.

The nominations reported by Mr. STENNIS are as follows:

Gen. John Edwin Hull, Army of the United States (major general, U. S. Army);

Gen. Charles Lawrence Boite, Army of the United States (major general, U. S. Army);

Gen. William Morris Hoge, and Major Generals Withers Alexander Burrell and William Benjamin Kean, to be placed on the retired list;

Maj. Gen. John Wilson O'Daniel.

Maj. Gen. James Dunne O'Connell, Army of the United States (brigadier general, U. S. Army), for appointment as Chief Signal Officer, United States Army, and as major general in the Regular Army of the United States;

Maj. Gen. John Wilson O'Daniel, United States Army, to be Chief, Military Assistance

Advisory Group, Indochina, with the rank of lieutenant general.

Maj. Gen. Hobart Raymond Gay, United States Army, to be commanding general, Fifth Army, with the rank of lieutenant general.

Maj. Gen. Stanley Raymond Mickelsen, United States Army, to be commanding general, Army Antiaircraft Command, with the rank of lieutenant general.

Maj. Gen. Thomas Wade Herren, United States Army, to be commanding general, First Army, and senior United States Army member, Military Staff Committee, United Nations, with the rank of lieutenant general.

Maj. Gen. Claude Birkett Ferenbaugh, United States Army, to be deputy commanding general, Army Forces, Far East, with the rank of lieutenant general.

Maj. Gen. Laurin Lyman Williams, and sundry other officers, for appointment in the Regular Army of the United States;

Maj. Gen. John Harrison Stokes, Jr., and sundry other officers, for appointment in the Regular Army of the United States;

Edward W. Snedeker, and sundry other officers, for permanent appointment in the Marine Corps; and

William A. Read, and sundry other officers of the Reserve of the United States Navy, for permanent appointment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE (by request):

S. 1385. A bill for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs;

S. 1386. A bill for the relief of G. F. Allen, deceased, former Chief Disbursing Officer, Treasury Department, and for other purposes;

S. 1387. A bill to further amend the Military Personnel Claims Act of 1945;

S. 1388. A bill to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes; and

S. 1389. A bill to further amend the act of January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries"; to the Committee on the Judiciary.

(See the remarks of Mr. KILGORE when he introduced the above bills, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1390. A bill to improve the enforcement of laws pertaining to gambling by suppressing the transmission of certain gambling information; to the Committee on Interstate and Foreign Commerce.

By Mr. KNOWLAND (for himself, Mr. KUCHEL, Mr. BIBLE, and Mr. MALONE):

S. 1391. A bill granting the consent of Congress to the States of California and Nevada to negotiate and enter into a compact with respect to the distribution and use of the waters of the Truckee, Carson, and Walker Rivers, Lake Tahoe, and the tributaries of such rivers and lake in such States; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER:

S. 1392. A bill to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations; to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 1393. A bill to repeal the provision of the Second Deficiency Appropriation Act,

fiscal year 1935, which requires recoupment of certain Federal funds spent for school construction; to the Committee on Appropriations.

S. 1394. A bill to provide for the issuance of a special postage stamp in honor of the late E. S. Paxson; to the Committee on Post Office and Civil Service.

By Mr. MUNDT:

S. 1395. A bill to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton," approved August 20, 1954; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1396. A bill to establish a conservation acreage reserve, to promote conservation and improvement of agricultural soil and water resources, to stabilize farmers' income, to adjust total agricultural production to consumer and export needs, to maintain an abundant and even flow of farm commodities in interstate commerce, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 1397. A bill providing for the conveyance to St. Mary's Mission of certain lands on the Turtle Mountain Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG (for himself and Mr. ELLENDER):

S. 1398. A bill to strengthen the investigation provisions of the Commodity Exchange Act; to the Committee on Agriculture and Forestry.

By Mr. ALLOTT:

S. 1399. A bill for the relief of Victorine (Vicky) Shalam; to the Committee on the Judiciary.

By Mr. THYE:

S. 1400. A bill to protect the integrity of grade certificates under the United States Grain Standards Act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 1401. A bill for the relief of Ciro Romano; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 1402. A bill to authorize mileage allowance of 10 cents per mile for United States marshals and their deputies for travel on official business; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 1403. A bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon certain claims of Roderick D. Strawn; to the Committee on the Judiciary.

By Mr. BEALL:

S. J. Res. 55. Joint resolution to control the number of licenses issued in the District of Columbia for the operation of motor vehicles for hire (taxicabs); to the Committee on the District of Columbia.

SUNDRY BILLS FOR CONSIDERATION OF JUDICIARY COMMITTEE

Mr. KILGORE. Mr. President, by request, I introduce for appropriate reference, five bills which have been submitted by the Department of the Interior, the Department of the Treasury, the Department of the Air Force, the Department of Defense, and a proposal by the Department of the Air Force in behalf of the Department of Defense.

I ask unanimous consent that there be printed in the RECORD, to accompany each of these bills, the letters forwarded with these proposals by the Department of the Interior, the Department of the Treasury, the Department of the Air Force, the Department of Defense, and the Department of the Air Force in behalf of the Department of Defense.

The PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bills, introduced by Mr. KILGORE, by request, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 1385. A bill for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs.

(The letter accompanying Senate bill 1385 is as follows:)

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., January 27, 1955.
HON. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: Transmitted herewith is a draft of a proposed bill "For the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs."

I suggest that this proposed bill be referred to the appropriate committee for consideration, and I recommend that it be enacted.

The proposed bill would reimburse certain employees of the United States for the loss of certain tools, which were their personal property, in a fire at the consolidated garage, at Fort Defiance, Ariz., on February 6, 1953. These mechanics and helpers were using their personal tools to work on Government equipment in a Government-owned shop and stored them there each night.

The building was erected in 1938 and was used continually as a garage by the Bureau of Indian Affairs. Consequently, it was saturated with oil and greases. The fire had been burning for some time when it was discovered by school boys at 5:55 a. m. When the volunteer fire department responded to the alarm at 6:05 a. m., the building was completely in flames which made it very difficult for the volunteer fire department to control the fire.

The immediate cause of the fire is unknown. There is, however, no evidence of negligence or wrongful act or omission on the part of the prospective beneficiaries of the proposed bill. Since there is no evidence of negligence or wrongful act or omission on the part of any employee of the Government, the claim cannot be paid under the provisions of the Federal Tort Claims Act (28 U. S. C. 2672). The heating plant in this building was fired by an employee who goes off duty at 11 p. m. and returns to duty at 6 a. m. the following morning.

The total cost to the Government if the proposed bill were enacted would be \$3,169.29. There is enclosed an itemized list of the property destroyed by the fire, showing the original cost of the property and its depreciated value.

The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation to Congress.

Sincerely yours,

D. OTIS BEASLEY,
Administrative Assistant,
Secretary of the Interior.

Enclosures.

S. 1386. A bill for the relief of G. F. Allen, deceased, former Chief Disbursing Officer, Treasury Department, and for other purposes.

(The letter accompanying Senate bill 1386 is as follows:)

JANUARY 5, 1955.

THE PRESIDENT OF THE SENATE.

SIR: There is transmitted herewith a draft of a proposed bill for the relief of G. F. Allen, deceased, former Chief Disbursing Officer, Treasury Department, and for other purposes.

The purpose of the proposed legislation is to provide relief for certain former and present officers of the Treasury Department for various unavailable items in their accounts.

The Department has given careful consideration to the various items included in the proposed legislation and recommends in the interest of economy and good fiscal administration that provision be made for clearance of the amounts from the fiscal officers' accounts. Such action will not affect the efforts of the Government to make recovery. Evidence indicates that the officers acted in entire good faith, and that they were not remiss in any respect in the exercise of their official duties. Moreover, the Treasury Department handles several hundred million financial transactions each year and a few errors are inevitable.

There are enclosed exhibits which explain more in detail the items included in the proposed legislation.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

M. B. FOLSOM,

Acting Secretary of the Treasury.

S. 1387. A bill to further amend the Military Personnel Claims Act of 1945.

(The letter accompanying Senate bill 1387 is as follows:)

DEPARTMENT OF THE AIR FORCE,

Washington, January 3, 1955.

HON. RICHARD M. NIXON,

President of the Senate.

DEAR MR. PRESIDENT: There is enclosed a draft of legislation, "To further amend the Military Personnel Claims Act of 1945."

This proposal is part of the Department of Defense Legislative Program for 1955 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to amend the Military Personnel Claims Act of 1945 (59 Stat. 225), as amended (31 U. S. C. 222c), so as to remove the \$2,500 limitation upon the amount which may be recovered under that Act. This proposal would also permit the recovery of the full amount of any claim in excess of \$2,500 in the case of an individual whose claim may have been settled in the interim period after July 3, 1952, and prior to the date that this proposed legislation would be enacted and become effective. The limitation was imposed by an amendment on the floor of the Senate in the closing days of the 82d Congress. Prior to this time, there was no limit on the amount which could be recovered as a result of loss or damage to personal property.

The Department of Defense is of the opinion that this monetary limitation imposes the greatest hardship on those members of the military service who are least able to bear the burden. The usual claim averages about \$250 or less, and involves damage or loss of household furnishings and personal

property incident to transportation of shipment by Government carrier or by Government contract carrier. Events of catastrophic proportion such as fire, flood, and airplane crashes, account for the vast majority of claims in excess of \$2,500. These major claims usually involve total losses of household furnishings and personal possessions of the unfortunate individuals concerned.

With regard to the monetary aspects of this proposal, the military departments report as follows concerning the recovery limitation in the Military Personnel Claims Act of 1945 during the fiscal year of 1954:

	Army (estimate)	Navy (estimate)	Air Force
Number of claims affected by the limitation.....	22	7	33
Amount by which the limitation reduced the total amount paid.....	\$23,450.98	\$12,806.37	\$41,240.38

It is realized that personnel with claims in excess of \$2,500 are not precluded from ultimate recovery of the full amount as they may request the Congress to enact private relief legislation in their behalf. However, as pointed out above, the cases involving more than that amount usually result from a disastrous event of accident. The Department of Defense feels that especially in these cases of extreme hardship the full amount of the claim should be paid very promptly. The removal of the limitation would allow this to be accomplished and, in addition, the Congress and the President would not be burdened with additional private legislation. In this regard at least one private relief bill has already been introduced on behalf of a claimant who was limited in the amount of recovery, after having filed a claim in the amount of \$6,749.85, for the loss of household furnishings caused by fire (H. R. 5651, 83d Cong.). It is assumed that such private legislation will be introduced on behalf of other claimants as long as the limitation remains in effect. Further, claims in excess of \$2,500 would be subject to congressional scrutiny as the act provides that all settlements shall be reported annually to the Congress.

LEGISLATIVE REFERENCES

An identical proposal was submitted to the Congress on November 18, 1953, as a part of the Department of Defense Legislative Program for 1954. It was introduced as H. R. 7068 and passed the House of Representatives on July 6, 1954. No further action was taken on that proposal.

COST AND BUDGET DATA

It is estimated that the enactment of this proposal would result in an increase in cost to the Army of \$23,450 for fiscal year 1956, however, no worth-while estimate of the increase in cost to the Navy, the Air Force, or the Marine Corps is possible.

Sincerely yours,

HAROLD E. TALBOTT.

S. 1388. A bill to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes.

(The letter accompanying Senate bill 1388 is as follows:)

DEPARTMENT OF THE AIR FORCE,

Washington, January 3, 1955.

HON. RICHARD M. NIXON,

President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes.

This proposal is part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Con-

gress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to validate payments of the subsistence portion of station per-diem allowances heretofore made to approximately 1,737 members of the Army, Navy, and Air Force, in the total approximate amount of \$1,683,189, who were on permanent duty at Elmendorf Air Force Base and Fort Richardson, Alaska, from February 1, 1949, to October 12, 1950. This legislation is needed because of the decision of the Comptroller General of the United States numbered B-103602, dated February 19, 1952 (31 Comp. Gen. 399), in which such payments were held to be invalid. A copy of that decision was forwarded as an inclosure to a report by the Comptroller General to the Congress dated March 6, 1952, relative to these payments.

Under the provisions of section 12 of the Pay Readjustment Act of 1942 (56 Stat. 364), as amended by section 203 of the act of August 2, 1946 (60 Stat. 859), the Congress authorized the payment to members of the uniformed services "on duty outside continental United States or in Alaska, whether or not in a travel status, of actual and necessary expenses or per diem in lieu thereof, considering all elements of cost of living, including cost of quarters, subsistence, and other necessary incidental expenses." Regulations issued in implementation of the statute permitted the payment of prescribed allowances when Government messes were not available.

Acting upon a considered construction of the controlling law, the Director of Finance, Headquarters United States Air Force, on March 30, 1951, expressly authorized to be made the payments which would be validated by enactment of this proposed legislation. The action of the Director of Finance was taken with the knowledge that the notices concerning availability of messing facilities which had been posted at the installations concerned did not make Government messes available to the officers concerned. Following this authorization, payments were made to and accepted by over 1,700 officers of the Air Force and Army. Similar payments were made to a very limited number of naval personnel. These payments were additionally supported by the individual and personal certifications of the payees, made pursuant to the Act of October 26, 1942 (56 Stat. 987), to the effect that a Government mess was not in fact available to them.

In comments to the Bureau of the Budget concerning legislation proposed by the Department of Defense to validate these payments, the General Accounting Office reaffirmed views in opposition to enactment of the bill. The Director of the Bureau of the Budget after considering the views expressed by the General Accounting Office has advised this Department that while he concurs fully with the views expressed by that Office, "it would appear to impose an undue financial hardship to require the refund now of payments made 3 years ago to individuals who, through no fault on their part and acting in good faith, thought they were entitled to receive them." Accordingly, the Bureau of the Budget has interposed no objection to submission of this legislative proposal to the Congress.

LEGISLATIVE REFERENCE

This proposal was submitted to the 83d Congress by the Department of the Air Force on July 22, 1954, as a part of the Department of Defense legislative program for 1954. It was introduced as H. R. 10059.

COST AND BUDGET DATA

This proposal would cause no increase in current budgetary requirements of any establishment of the Department of Defense.

As previously indicated, payments in the approximate amount of \$1,683,189 have heretofore been made. This act would not authorize payment of special per diem allowances to any officers who have not heretofore been paid; however, it would authorize the repayment to those officers who have been required to make a refund of payments made during the period involved. Accordingly, under section 3 of the proposed legislation, payments to those officers will be absorbed in appropriations available to the military departments concerned for pay and allowances of military personnel.

Sincerely yours,

HAROLD E. TALBOTT.

S. 1389. A bill to further amend the act of January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries."

(The letter accompanying Senate bill 1389 is as follows:)

DEPARTMENT OF THE AIR FORCE,

Washington, January 3, 1955.

HON. RICHARD M. NIXON,

President of the Senate.

DEAR MR. PRESIDENT: There are forwarded herewith a draft of legislation to further amend the act of January 2, 1942, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries," and a sectional analysis thereof.

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to further amend the act of January 2, 1942, generally referred to as the Foreign Claims Act. This act, as amended, authorizes the secretary of a military department to appoint commissions to settle claims against the United States where military or civilian personnel of that department have caused property damage, injury, or death to inhabitants of any foreign country.

One of the requirements in the act is that the person must have sustained the property loss, injury, or death in the country in which he is an inhabitant. If the claim arises in a foreign country of which the claimant is not an inhabitant, there is no authority for an administrative settlement. For example, a French inhabitant may be paid if he is injured in France but he cannot be paid if he is injured in Belgium, or some other foreign country. Section 1 (1) of this proposal would eliminate this situation by deleting from the act the words "arising in such foreign country," and substituting therefor the words "arising outside of the United States, its territories and possessions." The fact that settlements can be effected only in those cases where the claimant is an inhabitant of the country where the incident occurred has resulted in numerous private relief bills. This would be obviated by the enactment of the proposed bill.

At the present time, almost all death claims and many property damage claims are found to be meritorious in an amount exceeding \$5,000. When so found, they must be certified to the Congress by the Bureau of the Budget for an appropriation out of which to pay the claim, thus resulting in a delay in payment and consequent dissatisfaction with the presence of United States Armed Forces in otherwise friendly foreign countries. Enactment of section 1 (2) of the

proposed bill would not only expedite payment of these meritorious claims, but would reduce by approximately 90 percent the number of claims so certified to Congress. The proposed amendment would raise the jurisdictional limit of claims which may be settled administratively from \$5,000 to \$15,000.

The existing law permits claims against one service to be settled and paid, upon the request of the service concerned, by a claims commission composed of officers of a different service during time of war. Section 1 (3) of the proposed bill would provide permanent authority for the use of joint commissions or commissions of other services. Under the present law, each military department must, in peacetime, have a claims commission available for every area in the world where civilian or military personnel of that department are assigned for duty. Enactment of this legislative proposal will decrease the peacetime budgetary requirements of the Department of Defense by eliminating the necessity for three commissions in foreign countries where civilian or military personnel of all three military departments are assigned.

Finally, the coverage of the Foreign Claims Act is limited to the activities of military and civilian personnel of the three military departments. It does not cover activities of those civilian employees of the Department of Defense who are not employed by a military department, such as civilian employees of the Office of the Secretary of Defense and of Military Assistance Advisory Groups. Section 1 (4) of the proposed bill would extend the coverage of the Foreign Claims Act to the activities of these civilian employees. Any claims made cognizable by this extension of the act would be handled by the commissions already established by the military departments. While the number of claims caused by the activities of civilian employees of the Department of Defense has been limited, the lack of authority to settle them has been a source of embarrassment to the Government. The effect of the proposed amendment is to extend the act so that it will conform with existing Department of Defense organization.

All of these amendments are designed to effectuate as fully as possible the avowed purpose of the Foreign Claims Act, which is to promote and maintain friendly relations with foreign countries by the prompt settlement of certain meritorious claims arising in those countries.

LEGISLATIVE REFERENCES

By letters dated January 5, 1953, and March 23, 1953, the Office of the Secretary of Defense forwarded two proposals to the Congress, which were introduced as H. R. 2565 and H. R. 4364, respectively. By a letter dated December 2, 1953, the Department of the Air Force forwarded a proposal to the Congress which was introduced as H. R. 7067. All three of those proposals would have amended the Foreign Claims Act. The proposals which were introduced as H. R. 2565 and H. R. 4364 were also introduced as S. 1239 and S. 1449, respectively. H. R. 2565 and H. R. 4364 were passed by the House of Representatives on April 20, 1953, and May 19, 1953, respectively, but no further action was taken thereon. No action was taken on H. R. 7067 after its introduction. This proposal is a consolidation of those three proposals.

COST AND BUDGET DATA

It is estimated that the enactment of this proposal would result in an increase in costs to the Army of \$139,000 and to the Air Force of \$49,000 for fiscal year 1956, however, no worthwhile estimate of the increase in costs to the Navy and the Marine Corps is possible.

Sincerely yours,

HAROLD E. TALBOTT.

CONSERVATION ACREAGE RESERVE

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to establish a conservation acreage reserve.

The purpose of this bill is to promote conservation and improvement of agricultural soil and water resources, to stabilize farmers' income, to adjust total agricultural production to consumer and export needs, and to maintain an abundant and even flow of farm commodities in interstate commerce.

Mr. President, the bill is aimed at an improved approach to the problem of diverted acres of productive farmland not immediately needed to fulfill the present effective demand for food and fiber, yet acres that must be safeguarded for the future needs of our expanding population.

Just as we wisely maintain adequate safety reserves of food and fiber above the ground to make sure our consumers are protected in case of natural disasters or suddenly expanded consumption needs, we should also wisely take the added precaution of maintaining safety reserves of productive ability below the surface of our soil through sound conservation farming.

Most of us, I am sure, agree that such would be the wisest use of acres diverted from normal use during any year by reason of the operation of acreage allotments and marketing quotas. What this bill proposes is a realistic way of seeking to achieve this objective.

In encouraging farmers to make the fullest and best economic use and conservation of the Nation's soil and water resources, first priority for the use of such resources must be to provide needed food and fiber for the growing population of the Nation.

Next, it is our responsibility to maintain adequate safety reserves of all staple commodities and products. Furthermore, it should be our policy to assure ample production of farm commodities required for all needed exports through normal channels of trade and for augmented exports to relieve starvation, shortages of clothing, and famine in other nations, to promote economic development, and to bolster other United States foreign economic and diplomatic policies.

Under this bill the farm soil and water resources not required to fulfill the foregoing needs would be conserved and handled in a manner to improve their fertility and keep them in readiness to meet unforeseen emergencies as well as long-range normal future needs for increased farm production.

The bill calls for the Secretary of Agriculture to annually determine and proclaim, prior to November 15 of each year, a national conservation acreage reserve for the succeeding crop year. National acreage to be designated in this reserve would be determined by subtracting the total number of acres determined by the Secretary to be needed for the commercial production within the continental United States of sufficient quantities of all agricultural commodities to meet domestic and export needs and to maintain adequate safety reserves to meet emer-

agency needs, from the total of the number of acres determined by the Secretary to have been used for such production during the crop year immediately preceding plus the number of acres which were diverted from their normal use during such year as a result of acreage allotments and marketing quotas.

The conservation reserve acreage would, in turn, be allocated to States and counties in the same ratio as the relationship of each State and county's total previous year's acreage in production to the national totals.

County farmer committees would then allocate the county's total conservation reserve among individual farms in the county on a similar basis.

The Secretary of Agriculture would be authorized to enter into annual agreements with individual farm operators, under which the operator agreed to put into effect on the specified number of acres in the conservation acreage reserve for his farm, such soil and water conservation and improvement uses and practices as the Secretary may specify, for which he would become eligible for payment of a conservation reserve award.

Such incentive payments would be based upon the value of the customary landlord's share in the area where the farm is located, of the commodities which the Secretary determines would be produced on the reserve acres if they were used for commercial production during the crop year for which the contract is made, with a limitation of \$2,000 for such award for any one farm operator's unit.

Farmers would be required to sign contracts for the conservation acreage reserve in order to be eligible for participation in price-support programs.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1396) to establish a conservation acreage reserve, to promote conservation and improvement of agricultural soil and water resources, to stabilize farmers income, to adjust total agricultural production to consumer and export needs, to maintain an abundant and even flow of farm commodities in interstate commerce, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

INTEGRITY OF GRADE CERTIFICATES UNDER UNITED STATES GRAIN STANDARDS ACT

Mr. THYE. Mr. President, in the summer of 1953 a subcommittee of the Committee on Agriculture and Forestry, of which I was chairman, conducted hearings in Galveston, Tex., on the disposition of Canadian wheat imported into this country as unfit for human consumption. The testimony there revealed that the "slugging" of ships was a common practice. The elevator operator testified that they ran sample grade wheat into the ship every time the sampler's back was turned; and the evidence showed that they were very suc-

cessful in obtaining No. 2 grade certificates on ships which actually should have graded sample. The operators testified further that they had to do this because they received so many cars that were plugged with low-grade wheat and foreign material, and because "plugging" and "slugging" were so common in the industry that they had to do it to meet competition. I do not believe that the situation is so widespread as their testimony would have us believe; and our subsequent investigations are showing that it probably is not.

I wish to emphasize that even though the witnesses who came before the committee and gave such testimony stated that they had to "slug" ships in order to meet competition at other wharves and other loading points, the main point simply is that we must safeguard ourselves in the future against operations such as the subcommittee discovered and uncovered in its hearings at Galveston. It is for that reason I am introducing a bill today. If the integrity of our grade certificates is to be preserved, so that foreign buyers can rely on them, this situation must be cleaned up.

The men who engaged in these activities were indicted on other grounds, but those indictments were dismissed because, as the Attorney General advises us, of lack of evidence. They were not indicted for the activities I have described, on which apparently plenty of evidence would have been available, because it appears that those activities are not illegal.

I am, therefore, today introducing a bill which would make it a crime punishable by fine and imprisonment for—

First. Any sampler to take samples improperly for inspection under the United States Grain Standards Act;

Second. Any such sampler to accept a bribe for improper performance of his duty;

Third. Any person to attempt to influence any such sampler improperly;

Fourth. Any person to load, handle, or sample grain in a manner designed to cause the issuance of a false grade certificate under that act;

Fifth. Any person to submit for inspection under that act any grain so loaded, handled, or sampled; and

Sixth. Any person to do any other act to cause the issuance of a false grade certificate.

Mr. President, I introduce a bill which covers the questions I have raised, and I ask that it be appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1400) to protect the integrity of grade certificates under the United States Grain Standards Act, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT—ADDITIONAL COSPONSOR OF BILL

Mr. SMITH of New Jersey. I ask unanimous consent that on the next printing of S. 1309, a bill to amend the

Federal Employees' Compensation Act to provide for reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies, the name of the senior Senator from New Hampshire [Mr. BRIDGES] be added as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC DISARMAMENT—ADDITIONAL COSPONSORS OF SENATE RESOLUTION 71

Mr. SYMINGTON. Mr. President, on March 8 I made some remarks regarding Senate Resolution 71, dealing with economic disarmament. At that time 44 Senators had indicated their desire to join as cosponsors of the resolution, and their names were read into the RECORD.

Since that time, my colleague, the senior Senator from Missouri [Mr. HENNINGSEN], the Senator from Illinois, [Mr. DOUGLAS], and the Senator from South Carolina [Mr. JOHNSTON], have stated they would also like to join as cosponsors.

Mr. President, I therefore ask unanimous consent to have the names of these Senators placed in the RECORD as cosponsors of Senate Resolution 71.

The PRESIDENT pro tempore. Without objection it is so ordered.

TAX RATE EXTENSION ACT OF 1955—AMENDMENTS

Mr. YOUNG submitted amendments, intended to be proposed by him to the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a \$20 credit against the individual income tax for each personal exemption, which were ordered to lie on the table and be printed.

Mr. JOHNSON of Texas (for himself, Mr. KERR, Mr. FREAR, Mr. LONG, Mr. SMATHERS, and Mr. BARKLEY) submitted amendments intended to be proposed by them, jointly, to House bill 4259, supra, which were ordered to lie on the table, and to be printed.

PROPOSED AMENDMENT TO REQUIRE CONGRESSIONAL APPROVAL OF RECIPROCAL TRADE AGREEMENTS

Mr. O'MAHONEY. Mr. President, I rise to submit an amendment to H. R. 1, the bill to extend the Reciprocal Trade Agreements Act. I do this in the belief that the Congress should not abdicate its constitutional powers over international trade agreements. I am submitting this amendment to provide that no trade agreement shall become effective until it has been approved by a majority of both Houses of Congress. The Reciprocal Trade Agreements Act, no one can doubt, is a delegation of congressional powers to the executive branch of the Government. Under it the State Department fixes the tariff rates which under the Constitution is the duty and responsibility of the Congress.

The legislative arm of the Government recognizes this, and for that reason has

never been willing to make the delegation of authority to the President except for a few years at a time. It is even proposed now to cut the period of delegation from 3 years, as provided by the House, to only 2 years or perhaps 1 in order to appease high protectionists in the Republican party who are also reluctant to surrender their powers.

It is said that the President can be trusted to use these powers wisely. The wisdom and ability of the President is not the issue of our time. The issue is whether the representatives of the people will retain and exercise the responsibility imposed upon them by the Constitution or whether they are willing to trust the fate of the people's trade and commerce to the decision of anonymous experts in the Department of State. The President does not have the time to work out the details of these trade agreements. He has even less time than the Congress would have. His aids and assistants in the White House and in the State Department are subject to exactly the same pressures to which Members of Congress are subject. It is much better to conduct the public business in the public eye so that the people can watch the pressure of special interests upon their Representatives and Senators than to allow these pressures to be concealed behind the doors of the State Department and the White House offices.

As long ago as April 4, 1940 this amendment of mine failed of adoption by only 6 votes; the rollcall vote was 38 to 44. That vote was taken in time of peace, for we had not yet been drawn into World War II. The vote this year will be taken during the "cold war" which may at any moment turn into a "hot war." Nobody in the executive arm of the Government or in the Congress can tell now what position any nation will assume if we should have a "hot war."

We cannot now judge the position of even the friendly nations of Europe and Asia if the Red Chinese should attack Quemoy and Matsu. Clearly, therefore, this is no time for Congress to surrender its constitutional power over the trade agreements which will be authorized by the extension of the Reciprocal Trade Agreements Act.

I support the extension of the act, but I oppose the complete abdication of the constitutional powers of the Congress.

The contest of our time is between totalitarian government by executive authority and democratic government by the representatives of the people. I am offering this amendment to require the submission of trade agreements to the Congress in order to preserve democratic government by the people at a time when its existence is seriously threatened by the advances of executive power all over the world, and in the United States itself.

The PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. BYRD:

Address delivered by Senator ERVIN at the Jefferson-Jackson Day Dinner held at Richmond, Va., on March 4, 1955.

By Mr. WELKER:

Statement relating to safety and labor-management relations at Morrison-Knudson Co., Inc., Boise, Idaho, published in the *Em-Kayan* for March 1955.

By Mr. WILEY:

Article from *New York Times* of March 1, 1955, relating to awards in Westinghouse Annual Science Talent Search.

NOTICE OF HEARINGS ON SUNDRY NOMINATIONS IN THE FOREIGN SERVICE

The PRESIDENT pro tempore. As a Senator and chairman of the Committee on Foreign Relations, the Chair desires to say that the Senate received today a list of 201 names of persons for appointment and promotion in the Foreign Service of the United States, including consular and/or diplomatic designations for Career and Staff Officers. Notice is hereby given that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule. The list appears elsewhere in the Senate proceedings of today.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. KILGORE. Mr. President, the following nominations have been referred to, and are now pending before, the Committee on the Judiciary:

Warren L. Jones, of Florida, to be United States circuit judge, fifth circuit, vice Louie W. Strum, deceased.

John Stephens Wood, of Georgia, to be a member of the Subversive Activities Control Board for the term of 3 years expiring March 4, 1958, vice Watson B. Miller, term expired.

Notice is hereby given to all persons interested in these nominations to file with the committee on or before Thursday, March 17, 1955, any representations or objections in writing they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF MEETING OF CONGRESSIONAL GROUP OF INTERPARLIAMENTARY UNION

Mr. ROBERTSON. Mr. President, for the benefit of the Members of the Senate who are interested in the Interparliamentary Union, I desire to announce that a meeting will be held of the congressional group of the Interparliamentary Union in the old Supreme Court Chamber on Tuesday, March 15, at 10 a. m.

CONGRESSIONAL COMMITTEE ON CIVIL DEFENSE

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of the Sen-

ate a recent news item from the February, 1955, issue of the *Washington Municipal News*, published by the American Municipal Association. The American Municipal Association represents 12,000 municipalities, in 44 States. The article expresses the support of that association for Senate Concurrent Resolution 11, submitted by the Senator from Missouri [Mr. SYMINGTON] and myself, to establish a permanent Congressional Committee on Civil Defense. It is a pleasure for me to announce that the resolution was endorsed by the executive committee of the association, at its recent meeting. I welcome the support of the American Municipal Association in this effort to help the Congress face its civil defense responsibilities. I believe the adoption of such a measure is long overdue.

I also take this opportunity to express my hope that the Senate Armed Services Committee will soon see fit to have hearings on my resolution, so we can move closer to the goal of establishing such a joint committee as the one we propose. No committee of either House has for its primary responsibility the subject of civil defense. Unless this is changed, and such a joint committee established, it is doubtful whether the Congress will ever be in a position to give civil defense the consideration and strong support that the safety and security of the Nation requires. Recent disclosures regarding the deadly effects of radio-active fall-outs only serve to heighten and reinforce the necessity for civil defense for the United States.

UNITED STATES INVOLVEMENT IN THE QUEMOY AND MATSU ISLANDS

Mr. LEHMAN. Mr. President, there was published in this morning's *Washington Post* and *Times Herald* a very interesting and informative editorial entitled "As Clear as Mud," which discussed the involvement of the United States in the Quemoy and Matsu Islands.

I ask unanimous consent to have the editorial printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AS CLEAR AS MUD

Is the administration preparing to write off any American involvement in the Quemoy and Matsu islands? This question is invited by Secretary Dulles' speech and by various other contemporary pronouncements. Mr. Dulles, to be sure, made no specific mention of the coastal islands, and the purport of his remarks was to emphasize the American determination to protect Formosa and to warn the Communists against thinking that the United States is a "paper tiger." But in one interesting passage Mr. Dulles observed: "How to implement this flexible defense of Formosa the President will decide, in the light of his judgment as to the overall value of certain coastal positions to the defense of Formosa, and the cost of holding these positions."

Does this mean that the administration is leery of the feasibility of holding the Quemoy and Matsus in the face of a concentrated artillery barrage? Senators report that Mr. Dulles himself has mentioned a new military appraisal. Defense Secretary Wilson said on Tuesday that loss of the Quemoy and Matsus, although a handicap,

would not make much difference in the long-run defense of Formosa. An unidentified top United States military leader, who presumably had access to the discussions at Taipei, has been quoted as saying in Tokyo that the importance of the islands could be more psychological than military, and as feeling that there would not be much reaction in the Far East if the coastal positions were abandoned. Senator KNOWLAND to the contrary, all these statements may add up to a straw in the wind.

Possibly such an inference is too sweeping. It is a logical outgrowth, however, of the deliberately vague line pursued by Mr. Dulles, in which he hopes to appear resolute on the defense of Formosa and obscure about the perimeter. Mr. Dulles was more precise in other portions of his report on his visit to Southeast Asia. He was encouraging, for example, in his exposition of the threefold aim of SEATO to protect the area against overt aggression, to enable it to prevent subversion and to strengthen it economically—although the economic point would be more convincing if the administration would give some concrete backing to the Secretary's words. It is another question whether the Communist Chinese, who do not think in western terms, will be deterred by Mr. Dulles' warning that the United States and its allies would use tactical atomic weapons in the event the Chinese engaged in open armed aggression in Southeast Asia.

Despite the cold reception of Mr. Dulles' hints about the desirability of linking SEATO with the Formosa and Korea treaties, there has been reason to think that a basic understanding exists between Britain and the United States on policy respecting Formosa. It may even be suspected that some of the speeches in Britain about the danger in the Quemoy and Matsus have been for internal consumption, much as Mr. Dulles sometimes plays to a certain audience on Capitol Hill. But if the administration is now preparing a change toward the Quemoy and Matsus, the result can hardly be other than to cause more confusion, with the American people the most confused of all.

Undoubtedly there is a point beyond which further concessions would be excessively damaging to American prestige and to the determination in the Far East to resist Communist expansion. Would an abandonment of the Quemoy and Matsus now be excessively damaging, and would it increase any illusion in Peking that the United States is a "paper tiger"? This newspaper does not know. Certainly such a move at this time would be more damaging than if it had been included in the effort to draw a clear line for the defense of Formosa. This is part of the price the administration would have to pay for taking what all along has seemed to be an untenable position. No one can envy the administration in this predicament, especially since the general purpose of the revised policy in the Far East is so constructive. But if an abandonment is in the works, assuredly it would be less disruptive to effect it now than to wait until Communist bombardment forced the issue under fire.

FORTY-THIRD ANNIVERSARY OF GIRL SCOUTING IN THE UNITED STATES

Mr. LEHMAN. Mr. President, this week marks the 43d anniversary of girl scouting in the United States. I offer my hearty congratulations to this great organization and its members, and express the hope that it will continue to grow in scope and in influence.

The theme of the 1955 observance is "Believe—Belong—Build." This slogan describes the philosophy and the ideals of the organization which has for 43

years encouraged Girl Scouts to develop the resourcefulness which is so valuable an American trait and which has played so large a part in the march to world influence.

There are now about 1,750,000 girls enrolled in the Girl Scouts of the United States of America. They are guided and helped by more than half a million devoted men and women who are registered members, and countless thousands more who work with and for the Girl Scouts. Some 10 million women have enjoyed scout experience; and since the organization was set up with a group of neighborhood girls 43 years ago, it has grown from a small, personalized movement to a nationwide influence for better citizenship among girls and women—truly the "growing force for freedom of which its founder dreamed."

I think we may all take great pride in the achievements of this fine organization and seek in every way within our power to strengthen it to live up to the ideals of its founders and its present members. I wish it continued full measure of success.

JAMES WESLEY REARDEN—83 YEARS ON ONE JOB

Mr. JOHNSTON of South Carolina. Mr. President, being thoroughly familiar with the working conditions in cotton mills in South Carolina and other States, I was amazed to learn of a man who had spent 83 years at this kind of work. Like Mr. Rearden, I started to work in South Carolina cotton mills at the age of 11. Although this young man of 94 years has had a great deal more experience than I have had at this type of work, I am sure we would have a lot to reminisce about.

I think he would agree with me that many changes have taken place and that working conditions have improved immeasurably since he began his career at the age of 11.

I congratulate Mr. Rearden on his outstanding record and say that I hope he adds many more years to that already amazing total.

I shall now quote from the article published in the Washington Post and Times Herald of March 6, 1955:

This will be quite a year for James Wesley Rearden, a leading citizen of this little mill community nestled in the rolling hills of upper Horse Creek Valley near Aiken. On June 6 he'll celebrate his 94th birthday. On May 10, he'll round out 83 years of work with the Graniteville Co., a group of modern cotton mills.

And that makes Mr. Rearden the holder of the longest continuous industrial work record in the world. In the office of the president of the Graniteville Co. hang five portraits. Four are those of presidents of the firm. The fifth is that of the shipping clerk to whom the firm long has paid tribute for "always doing a little more than is expected of him."

The remarkable Mr. Rearden has a standing offer from the Graniteville Co. to retire any time he wants to or report for work any hour of the day he chooses. But he's regularly among the first on the job, walking the short distance from his white frame home (not far from the plant gates) to his office. He treats himself to a short rest period after lunch every day, but otherwise puts in full time.

A retirement system was adopted by Graniteville in 1949 for employees reaching 65, but Mr. Rearden—then 88—had been told long before that he could work as long as he cared to. So he's doing just that. "As long as they'll let me," he says, "I'm going to show up for work each morning. I like the people I work for and I'd feel lost without something to do."

That "something to do" for the past 35 years has included teaching the young men's Bible class at St. John's Methodist Church in Graniteville, where he has been a member 70 years and has sung in the choir almost that long.

Mr. Rearden won his longest-work-record title fair and square. In 1950, the Thomas De La Rue Co., Ltd., printers and engravers, of London, challenged the United States to produce a man with a longer continuous work record than their Harry Adkins, a 75-year man. The Rearden record, supplied through the National Association of Manufacturers, showed that he topped Adkins by 3 years.

HE STARTED AT 10

He began work for Graniteville on May 10, 1872. He was nearly 11 then, but—as he recalls—"big for his age." That was the only reason he was able to get a job in the plant: every child under 13 was supposed to be in school. Mr. Rearden's first job was "tack boy," his only tools a needle and thread plus a shoe knife for cutting thread to tack cloth.

Mr. Rearden still remembers the company's founder, William Gregg, who started the mill in 1845. It is the oldest cotton mill in the South operating under its original charter. As for Mr. Rearden, he feels the same about his job today as in 1947, when the company honored him on his 75th consecutive work year.

Said he then: "If I had to make the choice again, it would be the same as it was in 1872."

May this man live many more years and continue at his employment is my wish.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum. The PRESIDENT pro tempore. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Allott	George	McNamara
Anderson	Goldwater	Millikin
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Purtell
Butler	Ives	Robertson
Byrd	Jackson	Saltinostall
Capehart	Johnson, Tex.	Schoeppel
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, N. J.
Chavez	Kilgore	Sparkman
Clements	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Langer	Thurmond
Daniel	Lehman	Thye
Dirksen	Long	Watkins
Douglas	Magnuson	Welker
Duff	Malone	Williams
Dworshak	Mansfield	Wiley
Ellender	Martin, Iowa	Young
Ervin	Martin, Pa.	
Frear	McCarthy	

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Oklahoma [Mr.

MONRONEY] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

The Senator from Georgia [Mr. RUSSELL] is absent because of a death in his family.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate.

The Senator from Michigan [Mr. PORTER] is absent because of illness.

The PRESIDENT pro tempore. A quorum is present.

THE 191ST ANNIVERSARY OF THE FOUNDING OF THE CITY OF ST. LOUIS, MO.

Mr. SYMINGTON. Mr. President, on the 15th day of January the great city of St. Louis celebrated its 191st birthday.

I wish to express my appreciation for the very thoughtful statement made on the floor of the Senate by my colleague, the senior Senator from Missouri [Mr. HENNINGS] regarding this significant occasion. Likewise, I wish to congratulate Mayor Tucker and the St. Louis Council on World Affairs for their successful efforts in commemorating this most recent milestone in the progress of St. Louis.

All the other great cities in this country of freedom can look at St. Louis with envy, and emulate it to their advantage. It is not only a center of business, cultural, and religious progress, but also a center of democratic principles.

DR. J. ROBERT OPPENHEIMER AND ACADEMIC FREEDOM

Mr. NEUBERGER. Mr. President, I am proud of the State which I have the honor in part to represent in this body.

Under pressure and coercion, the University of Washington recently canceled a series of scheduled speeches by Dr. J. Robert Oppenheimer, the distinguished scientist.

Disregarding pressure, the Oregon State System of Higher Education refused to cancel scheduled appearances by Dr. Oppenheimer at Oregon State College, at the University of Oregon, and at Portland State College.

The man most responsible for this courageous decision in Oregon is Dr. Charles D. Byrne, who is just concluding a distinguished career as our chancellor of higher education. Said Dr. Byrne, with reference to Dr. Oppenheimer's recent controversy with the Atomic Energy Commission:

Dr. Oppenheimer is one of the world's most distinguished physicists. No evidence of disloyalty or impairment of his scientific standing came out of the investigation.

The St. Louis Post-Dispatch had this to say about Dr. Byrne's defense of free speech and opinion:

The people of Oregon can take genuine satisfaction in this stand against hysteria on college campuses.

The Oregonian, largest daily paper in my State, editorialized:

The Oregon State System of Higher Education emerges from the latest Oppenheimer imbroglio with much better marks than the University of Washington.

In an editorial commending the distinguished scientist, the Oregon Journal said:

To muffle him smacks of persecution. The Oregon board's decision comes at a time when academic freedom needs strong friends. It does credit to the State.

In my opinion, Mr. President, Dr. Byrne has made the proper decision. Defenders of free speech everywhere in America will rally to his cause.

I do not know Dr. Oppenheimer. I am sure I would not necessarily agree with all—or even many—of Dr. Oppenheimer's views. But when pressure can bring about cancellation of the lecture of an eminent scientist, then every American has lost a little bit of his freedom. It is part of being American to have the privilege of hearing whom we wish, and then rejecting or accepting the doctrine offered, as we best see fit.

It is significant that two noted editors who recently visited Oregon—Irrving Dilliard of the St. Louis Post-Dispatch and Palmer Hoyt of the Denver Post—both expressed to the annual meeting of Oregon newspaper publishers their support for Dr. Byrne's faith in the ultimate wisdom of the people. Both of these distinguished publicists spoke out boldly for free speech.

Newspaper editors of the calibre of these men realize that freedom of the press is dependent upon our other basic freedoms. If free speech can be denied, a free press is in peril. In our land of liberty, one freedom cannot be separated from others. Freedom is indivisible. If a threat can shut off a college forum to a scientist, then similar—or perhaps sterner—threats might someday take away an editor's right to comment on such denials of our basic liberties.

As a Senator from Oregon, I take pride in the courage of Dr. Byrne and his associates in the State system of higher education. They have shown themselves dedicated to the finest traditions of our country—the traditions in support of free speech, academic freedom and the unfettered exchange of ideas. The State of Oregon gains through contrast with the timidity of an official of her sister State to the north.

In my opinion, the courageous decision of Dr. Byrne—and in this stand he had the support of Oregon's board of higher education—is of the first order of importance because of its favorable impact on academic freedom in my State. Academic freedom, although not specifically mentioned in the Bill of Rights, is at the root of other basic liberties. It is the freedom of the teacher to teach and of the student to learn. It presupposes the fact that our teaching profession is an honorable one, and that teachers should not be subjected to intimidation or to coercion.

If a learned scientist can be denied access to a college lectern because of the political controversy surrounding him, then a subtle but nevertheless sinister pressure has been applied to every teach-

er on that campus. He ceases to venture into controversial issues. He becomes a conformist. While this may seem desirable to us in a period of tension, it is disastrous for learning and for knowledge in the long run.

We must remember that human slavery, our subjection to British tyranny, the establishment of the first forest reserves, women's suffrage, the direct election of United States Senators by the people, the curtailment of child labor—all of these were controversial subjects in their day and time. What if teachers in other periods and a different era had feared to discuss such momentous matters with their students?

Mr. President, I believe that Dr. Charles D. Byrne, Oregon's chancellor of higher education, has struck a blow for academic freedom in Oregon and in the Nation, which will be to his everlasting credit.

To Dr. Byrne, upon the eve of his retirement from active management of Oregon's public colleges, I say: Godspeed and good fortune to you, sir. In refusing to run down the flag of freedom, you have upheld the principles of our third President—Thomas Jefferson—who founded the University of Virginia, who wrote the immortal document confirming our separation from European tyranny and who defended the right of every shade of opinion and viewpoint to be heard throughout the land.

Mr. President, I ask unanimous consent to include with my remarks an editorial on the Oppenheimer situation in the Northwest from the Portland Oregonian of February 19, 1955; an editorial on the same subject from the St. Louis Post-Dispatch of February 22, 1955; and news items on this topic from the Oregonian of February 16, 1955; of February 18, 1955; and February 19, 1955, and an editorial on this topic from the Oregon Journal of February 25, 1955.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Portland Oregonian of February 19, 1955]

SEATTLE'S LOSS OREGON'S GAIN

The Oregon State system of higher education emerges from the latest Oppenheimer imbroglio with much better marks than the University of Washington. The president of the latter institution canceled a lecture series that would have brought Dr. J. Robert Oppenheimer to the Seattle campus. Chancellor Charles D. Byrne promptly announced that there was no question of similar action with regard to Dr. Oppenheimer's scheduled appearances this spring at the University of Oregon, Oregon State College and Portland State College.

The action of the U. of W. president, Dr. Henry Schmitz, is incomprehensible to us. Apparently it is so on the Washington campus as well, for representatives of student organizations voted 47 to 0 to ask reconsideration of the ban; and faculty criticism of Dr. Schmitz' arbitrary decision has been bold. The university president's explanation that his action has no bearing on academic freedom, on Dr. Oppenheimer's capabilities as a physicist or on the latter's right to express his viewpoint is no help to understanding.

Dr. Oppenheimer is a respected scientist whose counsel is sought by other scientists. His complete loyalty to his country was attested by the members of the Atomic Energy

Commission in the statement setting forth their decision to deny Dr. Oppenheimer access to classified documents because of past association with Communists. Following this action, he was retained by unanimous vote of the board of directors as director of the Princeton (N. J.) Institute for Advanced Study, an endowed organization with the simple purpose of promoting free inquiry in all fields of learning.

We assumed that all university presidents subscribed to the high purpose of the Princeton Institute; but Dr. Schmitz apparently has his reservations. The University of Washington will thus miss what Oregon schools will gain in Dr. Oppenheimer's appearances in April and May.

[From the St. Louis Post-Dispatch of February 22, 1955]

GOOD FOR OREGON

Just now the University of Oregon and the University of Washington—the State universities of the two neighbor States in the Pacific Northwest—present a notable contrast. The contrast is all to the credit of Oregon and an unhappy one for Washington.

Both institutions scheduled Dr. J. Robert Oppenheimer for a series of lectures this spring. Under pressure, the University of Washington canceled the noted scientist's visit to the Seattle campus. But the Oregon State Board of Education, in a statement strongly supported at Eugene, seat of the University of Oregon, stood steadfastly by the Oppenheimer lecture dates at the State University, Oregon State College, and Portland State College.

Chancellor Charles D. Byrne said all that needed to be said: "Dr. Oppenheimer is one of the world's most distinguished physicists. No evidence of disloyalty or impairment of his scientific standing came out of the investigation." The people of Oregon can take genuine satisfaction in this stand against hysteria on college campuses.

[From the Portland Oregonian of February 16, 1955]

OREGON HOLDS TO PLANS FOR OPPENHEIMER TALKS

Dr. Robert J. Oppenheimer, whose scientific lecture series at University of Washington was canceled by the university's president Monday, will appear on three Oregon campuses in April and May, as announced earlier, officials of the State system of higher education said.

There is not and has not been any question of canceling the invitation to Dr. Oppenheimer to come to Oregon as the Condon lecturer, Chancellor Charles D. Byrne said Tuesday.

"Dr. Oppenheimer was chosen in March of 1954 by the State system's Condon lecture series committee to give the annual scientific lecture series at three campus locations, the university, Oregon State College, and Portland State. His selection was endorsed unanimously and with enthusiasm by the executives and physical scientists of the three campuses because of the fact that he is one of the world's most distinguished physicists, and presently director of the Institute for Advanced Study at Princeton University.

"He will appear in late April and early May, giving two lectures on each campus on 'Composition of Matter.' The outcome of previous investigations will have no bearing on his appearance because he was chosen prior to the investigations and because there was no evidence of disloyalty or impairment of his scientific standing that came out of the investigation."

Withdrawal by President Eisenhower and the Atomic Energy Commission of Dr. Oppenheimer's security clearance brought worldwide controversy last spring. Presi-

dent Henry Schmitz of University of Washington Monday was reported to have refused to allow the school's physics department to present the atomic physicist as the Walker-Ames lecturer on the campus.

The Condon lectures were established by the State board of higher education in 1944 in memory of Dr. Thomas C. Condon, first professor of geology at the university.

The physicist will be at the University of Oregon April 19-21, at Oregon State April 26-28 and in Portland May 3-4.

[From the Portland Oregonian of February 18, 1955]

SNUB OF DR. OPPENHEIMER STIRS PROTEST AT U. OF W.

SEATTLE.—Four hundred students and some faculty members voiced objection in a mass meeting Thursday to a decision by the president of the University of Washington not to invite Dr. J. Robert Oppenheimer to appear as a lecturer on the campus.

Prior to the meeting at which it was decided to march on Olympia and carry the protest to the legislature—some individuals had hanged in effigy Dr. Henry Schmitz, the president, on the campus quadrangle.

MARCH SET FOR FRIDAY

The effigy was removed quickly and a university spokesman said no disciplinary action was contemplated.

The march to Olympia was set for Friday morning although final plans were not immediately completed. A few of those present objected to the Olympia jaunt on the ground the matter was a university affair not related to the legislature.

The group also voted to ask Dr. Schmitz to address the student body on the matter. Dr. Schmitz has declined to discuss his refusal to invite Dr. Oppenheimer to the campus beyond saying his decision was made after long and careful study of his (Oppenheimer's) governmental relationship.

DR. SCHMITZ STANDS PAT

He has said he will not reconsider the decision despite a storm of protest from faculty and students. A full page of letters in opposition to the decision appeared in Thursday's University Daily.

Among faculty members criticizing Dr. Schmitz was Dr. Edwin A. Uehling, acting director of the university's physics department. Dr. Uehling said the decision was most unfortunate and "told the world and ourselves that we do not seek to become a great university."

[From the Portland Oregonian of February 19, 1955]

EDITOR HAILS OREGON VIEW

UNIVERSITY OF OREGON, EUGENE.—Oregon's State board of higher education was congratulated here Friday by Irving Dilliard, editor of the editorial page of the St. Louis Post-Dispatch, for its stand on the current controversy over whether Dr. J. Robert Oppenheimer would be invited to speak at universities and colleges.

Dilliard praised the board in a talk to some 250 newspaper people throughout the State who are here attending the 36th annual Oregon press conference.

The board is to be congratulated for not being swept off its feet in the hysteria, the Erick W. Allen memorial lecturer said. The board has stuck to its guns in inviting the scientist here and at Oregon State and Portland State colleges, despite the refusal to do so by the president of the University of Washington.

Alton Baker, Sr., publisher of the Eugene Register-Guard, was given the Amos E. Voorhies award for distinguished community service.

The award was made at a dinner meeting of the Oregon press conference, addressed by

Palmer Hoyt, editor and publisher of the Denver Post, who spoke on the role of a newspaper as a community servant.

POLICY REVERSES LOSSES

Hoyt said, "I have found that a newspaper's reputation for fairness is not seriously impaired by what it says editorially as to the issues of the day, if only it presents both sides in its news columns."

The one-time publisher of The Oregonian who went to the Denver Post 8 years ago recalled:

"I remember in the old days at The Oregonian when with a total of only 80,000 daily circulation, we managed to lose 1,000 subscribers a month every time we had an election. But by reversing our policy and presenting both sides, we discovered that elections were the greatest gain periods."

He answered often heard criticism by saying:

"A newspaper is not only a bulletin board of information for its public, but is also a mirror of life and should reflect the current goings on in its community, its State and its nation."

"The reflection that a newspaper must make as a mirror of a life is to report crime news, sex, bank robberies, divorce and juvenile delinquency in a true proportion to the actual flow of our life. That is important. Unless we know what is going on, how may we correct it? My answer to people who say 'you print too much crime news' is that there is too much crime in our city and our State."

[From the Oregon Journal of February 25, 1955]

STRONG BLOW FOR ACADEMIC FREEDOM

The issue of academic freedom in higher education has presented itself in both Oregon and Washington recently in a way which permits a clear comparison. Oregon, we believe, comes out the better.

President Henry Schmitz of the University of Washington has refused to invite Dr. J. Robert Oppenheimer, physicist and key figure in an Atomic Energy Commission controversy over security, to lecture on the campus. The refusal has resulted in a storm of protest.

At the same time the Oregon State Board of Higher Education has ruled in favor of permitting Dr. Oppenheimer to fill commitments at several institutions here. The action drew the praise of Irving Dilliard, editor of the editorial page of the St. Louis Post-Dispatch, speaker at the annual Oregon press conference at Eugene, who said board members "are to be congratulated for not being swept off their feet in the hysteria."

President Schmitz unquestionably remembers the ruckus over Reds on the faculty which rocked the Washington campus several years ago and is particularly sensitive. Nevertheless, we believe his ruling hurts the school's standing in the academic world.

In the AEC decision which barred Dr. Oppenheimer from further participation in the atomic-energy program, his loyalty was not questioned. None can question, either, his greatness as a scientist. He is now the distinguished director of the Institute for Advanced Study at Princeton, N. J.

His lectures here will be on noncontroversial subjects. To muffle him smacks of persecution. The Oregon board's decision comes at a time when academic freedom needs strong friends. It does credit to the State.

ADDRESS BY HON. JOHN FOSTER DULLES, SECRETARY OF STATE

Mr. SMITH of New Jersey. Mr. President, on Tuesday, March 8, Mr. John Foster Dulles, Secretary of State, delivered an address in the nature of a report

to the Nation concerning his recent trip to the Far East. This report is of such significance and has such an important bearing on our foreign policy that I ask unanimous consent that it may be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE

REPORT FROM ASIA

I

I return from 2 weeks in southeast Asia and the West Pacific. I visited the forward positions against which the waves of communism are beating and where the issues of war and peace, of freedom and captivity, hang in precarious balance. There a gallant band of independent and freedom-loving nations stand between 600 million Communist-dominated Chinese and the broad reaches of the Pacific Ocean.

I visited 7 Asian and Pacific countries, and met with the Foreign Ministers of 3 others. I saw Bangkok and Rangoon with their splendid monuments of ancient civilizations. I visited simple agricultural countries such as Laos, where the landing of our plane had to be delayed until water buffalo were driven from the runway.

Everywhere I found ominous evidence of the Communist efforts to terrorize, to beguile, to subvert. But also I found the passionate desire of the free peoples to remain free.

That desire will not prevail unless those who love liberty unite to help each other. So, the United States, acting within the framework of the United Nations Charter, has joined in mutual security treaties which cover the freedom-loving countries of Korea, Japan, Formosa, the Philippines, South Vietnam, Laos, Cambodia, Thailand, Malaya, Pakistan, Australia, and New Zealand.

One of these treaties, the eight-nation Manila Pact for southeast Asia, has just come into force, and I went to Bangkok for the first meeting of the Treaty's Council.

It was fitting that this first meeting should have been held in the capital of Thailand, for the word "Thailand" means "land of the free." Also it dramatized the new role of Asia when, for the first time in history, a Foreign Secretary of the United Kingdom and a Secretary of State of the United States traveled half way around the world to come to Thailand.

The Manila Pact has three main purposes: first, defense against open armed aggression; second, defense against subversion; and third, the improvement of economic and social conditions.

II

For military defense we shall rely largely upon mobile Allied power which can strike an aggressor wherever the occasion may demand. That capacity will, we believe, deter aggression. We shall not need to build up large static forces at all points and the United States contribution will be primarily in terms of sea and air power.

I pointed out at Bangkok that, for military purposes, the Chinese Communist front should be regarded as an entirety because if the Chinese Communists engage in open armed aggression this would probably mean that they have decided on general war in Asia. They would then have to take into account the mutual defense treaties of the United States with the Republic of Korea and the Republic of China, and the forces maintained under them. Thus general war would confront the Chinese Communists with tasks at the south, center, and north, tasks which would strain their inadequate means of transportation.

The Allied nations possess together plenty of power in the area. The United States in particular has sea and air forces now equipped with new and powerful weapons of precision, which can utterly destroy military targets without endangering unrelated civilian centers.

Our treaty council, after appraising the military factors, concluded that the available military power offered solid hope of deterring open armed aggression against the treaty area.

In order to bring our power to a concerted pitch, our military advisers at Bangkok started their work together. It is expected that another military meeting will be held at Manila next month. In this way information will be exchanged about the forces which could be made available, and strategies can be agreed upon. Also out of these meetings may come plans for combined military exercises.

III

Then we took up the problem of subversion. At the moment, it is perhaps the greatest danger to the area. This danger will, I think, be diminished as it is better understood that the treaty nations have the power, and the will, to strike down an open armed aggressor.

To illustrate this connection between direct and indirect aggression I may mention the situation in Laos. In two of its Provinces there are disloyal elements, supported by the Chinese and Viet Minh Communists. The Laos Government is seeking to reestablish control over its own territory. But it is worried lest, if it suppresses the Communists within, it will be struck by the Communists from without. I hope that that worry is now allayed by their better understanding of the protective nature of the Manila Pact.

In other countries also, active subversion is being promoted from without. To deal with this is in each case primarily the responsibility of the governments concerned. However, often the nations can help each other by exchanging information, for example, about the movements and activities of international Communist agitators. Also, those who have dealt successfully with this problem can give advice which will help others of lesser experience. The Philippine delegation did this at Bangkok. They told how their Government had dealt decisively with Communist-inspired revolt of the so-called Hukos.

It was agreed there would be meetings of experts to facilitate exchanges of views about these problems of subversion.

IV

Also at Bangkok we dealt with the third treaty task, that of improving economic and social conditions. This problem divides itself into two parts. First is the problem of meeting the cost of more effective security forces.

As I have said, the Council is not trying to build up vast new military establishments. But there is need of modest national forces which are well equipped and loyal, which can support the authority of the government throughout its territory and fight initial defensive actions if there should be attack from without.

Even these limited forces involve an economic burden which some of the countries cannot carry without help. So, the strong will help the weak by providing some military equipment and financial support. Funds for that have been voted by the Congress for the current fiscal year and the administration is asking for a renewal of funds for this purpose for the coming fiscal year. Thus there will be special recognition of those countries which assume military obligations with us.

A second phase of the economic problem is general improvement of economic conditions in the area. This calls for capital developments. Industrialization should be speeded.

There should be better roads, more irrigation works and improved port facilities. There is particular need for a larger exchange of goods and services as between the countries of south and southeast Asia and the western Pacific. Japan, with its large capacity for industrial production, and its need for food and raw materials, is an important element in this situation.

This problem of economic improvement goes beyond the immediate treaty area. The treaty area is not and never can be a self-contained economic unit. The great bulk of its trade is with outside areas. There is need for programs to develop broadly the economic possibilities of all the free Asian countries. The treaty nations will study their problems from this viewpoint.

At the Bangkok Conference, I took occasion to reemphasize President Eisenhower's desire that atomic energy should be used to benefit mankind and to enrich the life of the great masses of humanity. We are not satisfied to see atomic missiles becoming conventional for war while vast possibilities for peaceful betterment are still undeveloped. I described our programs for education in this field, and I extended a special invitation to the Manila Pact nations to send representatives to the United States so that they could begin to study the good uses to which atomic energy may be put. There will, I believe, be a welcome response to this invitation.

V

The Manila Pact represents not only enlightened self-interest, but also high ideals. These are expressed in the Pacific Charter, a document inspired by President Magasaysay which was signed with the Manila Pact. That charter deals with political independence and economic progress and social well-being.

Three of the Asian parties to the Pacific Charter—Pakistan, the Philippines and Thailand—may shortly be meeting with other Asian countries at a so-called Afro-Asian Conference. So our Conference at Bangkok sent a message of cordial greeting to this Afro-Asian Conference, and we expressed the hope that it will support and reinforce the ideals so nobly expressed in the Pacific Charter.

In the sound ways I outline, the Manila Pact was made an effective going concern. The way of the aggressor has been made harder.

VI

After the close of the Bangkok Conference, I went to Rangoon, where I met with the leaders of Burma.

Burma is one of the countries which has newly won its independence, and the Government and the people of that country are determined to maintain it. They feel that they can best do so by avoiding regional security groupings. I know that all of the American people hope that their policy will succeed. Burma's evolution to independence had the strong moral support of our Nation, and we want to see that independence preserved.

I talked fully and freely with the President of Burma and with the Prime Minister, U Nu, and with other members of the Government. In this way we each came to a better understanding of the policies of the other. That was worth while. As between free nations, there is never the need of total agreement, but there is always the need of mutual respect.

VII

After Burma, I went to Laos, Cambodia, and Free Vietnam. These three nations are not themselves members of the Manila Pact, but their territories are covered by the Manila Pact. In each of these countries, I found leaders of great ability and of patriotic dedication to the independence of their country. Also, they well realize the danger to their independence that comes from sub-

version inspired by international communism.

I have already spoken of the task, in Laos, of suppressing subversion in two Provinces.

In Cambodia, the King—now ex-King—is passionately patriotic. His recent abdication was, I believe, due to a desire to find better ways to help his people to preserve the freedom he so ardently seeks for them.

The greatest problems confront the Free Government of Vietnam. It has the task of developing an efficient government of its own in substitution for French rule. This task, difficult enough under any conditions, is now complicated by three abnormal problems.

There is the problem of absorbing and resettling the refugees from the north. As always, when international communism moves in, those who love liberty move out, if they can. So far, about 600,000 persons have fled from northern Vietnam, and before the exodus is over, the number of refugees will probably approach 1 million. It is not easy for southern Vietnam to absorb these new peoples. They are destitute and penniless persons with only such possessions as they could carry on their backs. They need help.

One dramatic response is Operation Brotherhood. That is privately sponsored by the Philippine Junior Chamber of Commerce. It provides Philippine doctors and nurses who work on a 24-hour-a-day basis at the refugee centers. It is inspiring to see the Philippine people, who only lately achieved their own independence, now turning to help the most recent addition to the ranks of free nations.

A second problem faced by the Free Government of Vietnam is created by the fact that various religious groups, known as the sects, have heretofore had virtual autonomy, maintaining their own police forces, collecting their own taxes, and acting largely independently of a central government.

If Vietnam is to maintain its independence and the religious freedom desired by all, including the sects, there needs to be increasing allegiance to the central government. Reports indicate this allegiance is still not being granted by the sects to the Free Government of Vietnam. I hope that motives of patriotism will inspire all groups in free Vietnam to join together. Only as a united people will they be able to meet the threat of communism.

The third and greatest problem is, of course, that presented by the Communists in the north. Under the armistice they should have removed their forces from the south. Instead, many of their soldiers there merely put on civilian clothes and faded into the local community as a source of future trouble. Communist propaganda is rife, and in addition the free people of the south are subjected to the terrorizing threat of armed aggression from the north. As against this, local forces are being trained. But the principal reliance is the Manila Pact and its deterrent power.

In July of this year, conversations are scheduled to begin between south and north looking toward elections in 1956 to unify Vietnam. Under the terms of the armistice, these elections are to be held under conditions of freedom. There can be little doubt but what most of the people of Vietnam will want to unite under a genuinely independent and democratic government. In the north there is great discontent with Communist despotism. For each one of the many who have actually fled south to find freedom, there are many more who want freedom. Also, economic conditions in the north are deplorable and in many localities there is near starvation.

It will, however, be hard to create in the North conditions which allow genuine freedom of choice.

In Northern Korea and in Eastern Germany the Communists stubbornly refuse to permit the free elections which would bring uni-

fication. We hope this pattern will not be repeated by the Communist Viet Minh.

I was much impressed by Prime Minister Diem. He is a true patriot, dedicated to independence and to the enjoyment by his people of political and religious freedoms. He now has a program for agricultural reform. If it is effectively executed, it will both assist in the resettlement of the refugees and provide his country with a sounder agricultural system. I am convinced that his government deserves the support which the United States is giving to help to create an efficient, loyal military force and sounder economic conditions.

VIII

I stopped at Manila on both my outgoing and homecoming trips. Both times I talked with President Magsaysay. Whenever I meet him, I am deeply impressed by his grasp of the Communist problem. He has given his full moral support to the anti-Communist position of the United States in Asia. The Philippine Republic is proving itself to be a staunch and an effective ally.

On my return stop at Manila, I spent a day in conference with the United States Ambassadors in the area. United States representatives had come to Manila from 15 countries for a regional conference. We discussed together the policies of the United States in relation to the Asian scene. The conference continued on after I left, and has been of great value both to those of us who work primarily in Washington and to those who work in the field.

In this connection, I want to pay tribute to the Foreign Service and other representatives of the United States in the area I visited. Oftentimes they work under most difficult physical conditions. They do so without complaint and with a great sense of dedication to the service of our country. They are our first line of defense against an external peril which is perhaps the greatest our Nation ever faced. They deserve the respect and thanks of the American people.

IX

My last stop was at Formosa, where I conferred with President Chiang Kai-shek, Foreign Minister George Yeh and other members of the government. I exchanged there the instruments of ratification which officially brought into force our Mutual Defense Treaty covering Formosa and the Pescadores, or to use the Chinese names, Taiwan and Penghu. The ceremony was cheered by those who crowded into the room to see it, and by many thousands who lined the streets as I drove by. They saw in the treaty a significance—also seen by overseas Chinese I met—that so far as the United States can assure it, there will always be a free China.

After the treaty came into force, we held a first meeting of consultation under article IV of the treaty with reference to implementing the treaty. At this meeting, Admiral Carney, the Chief of Naval Operations, was present and also Admiral Stump, our Commander in Chief in the Pacific. They remained on after I left for further conferences with the military advisers of the President of the Republic of China.

Let me make it clear that we have here to deal with two distinct matters—first the political decision as to what to defend, and then the decision as to how to defend.

The political decision of what to defend has been taken. It is expressed in the treaty and also in the law whereby Congress has authorized the President to use the Armed Forces of the United States in the Formosa area. That decision is to defend Formosa and the Pescadores. However, the law permits a defense which will be flexible and not necessarily confined to a static defense of Formosa and the Pescadores themselves. How to implement this flexible defense of Formosa the President will decide, in the light of his judgment as to the overall value of certain coastal positions to the defense of

Formosa, and the cost of holding these positions. This judgment would take account of consultations provided for by the Mutual Defense Treaty.

We hope that the present military activities of the Chinese Communists are not in fact the first stage of an attack against Formosa and the Pescadores. We hope that a ceasefire may be attainable. We know that friendly nations, on their own responsibility, are seeking to find substance for these hopes. Also, the United Nations is studying the matter in a search for peace. So far these efforts have not been rewarded by any success. The Chinese Communists seem to be determined to try to conquer Formosa.

The response of the United States will have importance both to Formosa itself and to all the southeast Asia and Pacific countries.

X

I come back from Asia greatly impressed by the spirit and the purpose of the governments and peoples with whom I had contact. They want to preserve their freedom and independence. However, patriotism alone is not enough. Small nations cannot easily be self-confident when they are next door to Communist China. Its almost unlimited manpower would easily dominate, and could quickly engulf, the entire area were it not restrained by the mutual security structure which has been erected. But that structure will not hold if it be words alone. Essential ingredients are the deterrent power of the United States and our willingness to use that power in response to a military challenge.

The Chinese Communists seem determined to make such a challenge. At the same time they are persistently trying to belittle our power and to throw doubt on our resolution. They boast that in 1950, in Korea, they drove United States forces back from the Yalu and gained a great victory. They boast of their victory over the French Union forces in Indochina and they misrepresent our nonparticipation as due to our weakness of will. When we recently helped the Chinese Nationalists to evacuate the Tachens and other coastal islands, the Chinese Communists claimed that this represented great victories for them. They continue wrongfully to hold our fliers and other citizens.

In such ways Chinese Communist propaganda portrays the United States as being merely a paper tiger. It suggests to the small peoples whom they threaten that the United States will always find reasons to fall back when faced by brutal and uncompromising force, and that Communist China is sure to win.

The United States, in the interest of peace, has made great sacrifices and has shown great self-restraint. That is nothing for which we should feel ashamed. Indeed, it is something in which we can take pride. But we must always remember that the free nations of the western Pacific and southeast Asia will quickly lose their freedom if they think that our love of peace means peace at any price. We must, if occasion offers, make it clear that we are prepared to stand firm and, if necessary, meet hostile force with the greater force that we possess.

A big step in the right direction was taken by the Congress when, at the President's request, it passed the joint resolution which authorized the President actually to use the Armed Forces of the United States for the defense of Formosa and, to the extent the President judges appropriate for that defense, to protect related areas in friendly hands. That nonpartisan action, taken with virtual unanimity, did more than any other recent act to inspire our Asian friends with confidence in us. I believe that their confidence is not misplaced.

We have power that is great. We have a cause that is just. I do not doubt that we

have the fortitude to use that power in defense of that just cause.

If that will be manifest, then I believe that peace and freedom will prevail.

**STATEMENT BY PAUL BUTLER,
CHAIRMAN OF THE DEMOCRATIC
NATIONAL COMMITTEE, WITH
REFERENCE TO THE PRESIDENT
AND MRS. EISENHOWER**

Mr. GOLDWATER. Mr. President, it has been a notorious fact for some time that the Democratic Party has been feverishly engaged in a search for issues. For 2 years Democratic Party strategists in Congress have been probing for soft spots around the periphery of a sound Republican administration in a desperate hope to come up with something they can use to lift their flagging spirits for 1956. They tried to belabor the administration's Air Force program, the farm program, and the programs for development of power, and when the plain facts exploded their charges they turned to Dixon-Yates, which they are still dredging for political pay dirt.

More recently they have come forth with the \$20 income tax reduction scheme, which they are now willing to shave and compromise to cover the irresponsibility contained in their first proposal. In the House of Representatives, the Democratic Party strategists are deploying their forces in preparation for another aggressive attack on the Republican farm program—the soundest farm program the Nation has had in more than 20 years.

It makes no difference to these Democratic political strategists how irresponsible they become in manufacturing false political issues so long as they can pit rich against poor, labor against management, borrower against lender, farmer against the administration, and generate other class conflicts. Always they look to where the most votes lie, and then they adopt the slant which will allow them to wear the shield labeled "champion of the little fellow." They care nothing for economic balance, economic stability, a sound dollar, a balanced farm program, or any of the other yardsticks which measure the general good of the Nation and which protect the little fellow far more surely than does the easy handout system which prevailed under 20 years of the New Deal.

As a Republican and as a member of an administration as fine as the Nation has had in a generation, I look with amusement on this desperate thrashing about of our Democratic opposition. So long as they continue to search for genuine political issues—even falsely manufactured ones—I can regard them with indulgence. Republicans will spot them every one of these synthetic issues and fully meet their challenge when the time comes to go to the people.

But when they stoop to personal insinuations about the morals, integrity, and health of our President and his beloved First Lady, I say that is the place to draw the line. Yesterday's insinuation by Mr. Paul Butler, Democratic national chairman, about the health of the Nation's First Lady is another sample of

personal smear tactics which have now become typical of Butler's idea of political warfare. Members of the Senate do not have to search far back in their memories to recall how a former Democratic chairman tried to insinuate a moral charge against our President by hinting that the Dixon-Yates contract was made to give a favor to a personal friend of the President's. When this vicious lie was exposed, that chairman weaseled out of the charge.

Now Mr. Butler has turned his sights on the beloved wife of the President to indicate that her health may be poor and that in all probability the President and his wife may be looking forward to private life in 1956.

Mr. President, our distinguished President and his wife both have had colds, as millions of other Americans have at the time of the year when the seasons change. But let me tell you, Mr. President, that both are in sound, healthy, and vigorous condition—in vivid contrast to the condition of the man who ran for a fourth term and withheld information of his mortal sickness from the Nation.

I can understand Mr. Butler's desperation. He believes the only chance his party has for 1956 is to tear down the leader of his Republican opposition. But I cannot believe he is so frantic that he has to stoop to personal insinuations in order to build up the hopes of Democratic Party politicians. Let them stick to issues concerning the Nation's problems, and leave personalities out of them, because I warn these politicians that the American people will not stand idly by and watch any attempt to besmirch the morals, good faith, or health of the President and the beloved First Lady of the land.

Mr. KNOWLAND. Mr. President, apropos of the statement made by the Senator from Arizona [Mr. GOLDWATER], I am frank to say that I was quite shocked when it was called to my attention that the chairman of the Democratic National Committee had found it necessary to bring Mrs. Eisenhower's health into the discussion of the political campaign of 1956. The facts of the matter are that the President and Mrs. Eisenhower, like a good many thousands of other Americans, have had a touch of cold or flu. That situation is not unusual in any household in the country. I think it is most unfortunate and quite irresponsible for the chairman of the Democratic National Committee to use that as an anvil upon which to beat the question of the presidential campaign of 1956.

I am pleased to say that this did not originate from the responsible leadership of the Democratic Party in the Congress, and I think all Americans should repudiate this attack of the chairman of the Democratic National Committee.

Mr. JOHNSON of Texas. Mr. President, I am not familiar with the statement made by the distinguished chairman of the Democratic National Committee which is receiving such undivided attention this morning. If the chairman of the Democratic National Committee or anyone else said anything

reflecting adversely on the motives, or spoke an untruth concerning the health, of either the President or of the First Lady, I would be the first to feel that he made a mistake. It seems passing strange to me, however, that my delightful friends on the other side of the aisle should be so disturbed in this year 1955. In previous administrations, they talked about the President's health, the President's wife, the President's daughter, and the President's piano, and everything else they could think of which concerned the President. Yet, when the Chairman of the Democratic National Committee gives his opinion of what is going to happen in 1956, whether it is good or bad—and I cannot follow the predictions of the chairman of either party, religiously—his statement rouses all my colleagues on the other side of the aisle.

Mr. Humphrey, the very able Secretary of the Treasury, has just issued a statement concerning many of our colleagues in the Senate, some of the most distinguished men in this body. They include a former distinguished Vice President and former majority leader, for many years a Senator from the State of Kentucky and for many years a Representative from that State.

I can understand Secretary Humphrey disagreeing with the merits of a proposal, but I do not understand this statement of the Secretary of the Treasury. It did not shock me to the extent the minority leader is shocked, because I have come to understand these things. It is merely a repetition of what the Secretary of the Treasury said a few days ago, but today we read:

Treasury Secretary Humphrey denounces the compromise tax-cutting plan proposed by Senate Democrats as irresponsible—

He questions their responsibility—political and silly.

Mr. President, I would respect the Secretary of the Treasury a great deal more if he advanced his reasons for being opposed to a proposal to which I am sure he has not given adequate study.

I shall not engage in a name-calling contest. I shall not question people's motives. I think we would be better advised to leave all motives and names out of these questions and discuss them on their merits.

I wish to make it abundantly clear that I do not associate myself with the chairman of the Democratic National Committee or with any other chairman who makes improper statements reflecting upon the integrity, the character, or the health of the President of the United States. But I think it ill-behoves some of my colleagues who talk so often on this floor on such subjects, to sit silent while reports go out to the country that the most influential man in the Cabinet is branding their colleagues as silly.

Oh, there have been Presidents who said there were too many of certain kinds of Members of the Senate. There were Presidents who called for purges.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may speak for an additional minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Texas may proceed.

Mr. JOHNSON of Texas. Many Democrats refused to associate themselves with such actions of the President. I hope the distinguished minority leader, the distinguished chairman of the Republican policy committee, and also the distinguished Senator from Arizona [Mr. GOLDWATER] the chairman of the Republican Campaign Committee, who just spoke, will dissociate themselves from the statement by the Secretary of the Treasury—that great tax expert, who showed up with a billion dollar “blooper” in the 1954 revenue bill, which he is now trying to have remedied in the House.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield, with pleasure.

Mr. KNOWLAND. I wish to say to the distinguished Senator from Texas that most of us in the Senate have had some political experience, so I believe we can take care of ourselves. However, I think the situation is a little different when a reference is made such as was made about the wife of the President of the United States. She is not in a position to use this forum, or any other forum, for that matter, when it comes to a discussion of her health, or as to what she might have tried to influence her husband to do, when such statements are totally without foundation.

Mr. BRIDGES. Mr. President, I listened with interest to the remarks of the distinguished Senator from Arizona [Mr. GOLDWATER] and the distinguished Senator from California [Mr. KNOWLAND], in which they referred to a recent comment made by the chairman of the Democratic National Committee concerning the health of our beloved first lady of the land.

I listened also to the impassioned plea of my friend, the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], who I wish were present at the moment, during which he read the charge which Secretary of the Treasury Humphrey had made, to the effect, I understood, from what the distinguished majority leader said, that Secretary Humphrey had called the Senator from Texas and certain other Senators irresponsible, political, and silly.

The Senator from Texas thinks that certain of us should dissociate ourselves from the statement made by Secretary Humphrey. I am glad to dissociate myself from two parts of the statement.

I observe the distinguished junior Senator from Tennessee [Mr. GORE] occupying the seat of the distinguished majority leader, so I know that he will convey my statement to the Senator from Texas.

I do not wish to hear my friend from Texas or other of my colleagues and friends, whom I know to be most sincere, called silly or irresponsible. But when the Secretary called them “political,” I think that probably he had a very good name for them. I do not see how these Members who sponsored this Democratic tax plan can object to being called political in their views when they have produced proposed tax legislation such as

has been reported in the last few days. I think the word “political” really “clicks.”

Mr. President, because there has been some dispute as to what was said by the Democratic national chairman, Mr. Butler, I ask unanimous consent to have printed at this point in my remarks the text of an Associated Press dispatch entitled “Butler Views Ike's Future—Democratic Head Sees Wife's Health as Factor in 1956,” published in this morning's Baltimore Sun. Thus, we may see exactly what was said.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUTLER VIEWS IKE'S FUTURE—DEMOCRATIC HEAD SEES WIFE'S HEALTH AS FACTOR IN 1956

NEW YORK, March 9.—The chairman of the Democratic National Committee said today Mrs. Eisenhower's health may deter her husband from running again for President.

Paul M. Butler had said yesterday he doubts President Eisenhower will seek reelection because of “a personal situation in the Eisenhower household.”

“What I meant,” he told a news conference today, “was that from all reports traveling around in Washington I did not believe the President was happy as an administrator.”

NOTES HER HEALTH

Then he added that newspaper reports indicated Mrs. Eisenhower's health was not too good and that he believed that, too, might be a factor.

In any event, Butler claimed:

“We are confident that a Democratic President will be elected in 1956.”

In Washington, James C. Haggerty, White House press secretary, was asked if there was any comment on Butler's statements. He replied: “There will be no comment now.” There were indications the White House might have something to say tomorrow.

Earlier Butler was asked on a TV program if Gov. Averell Harriman, of New York, would be the Democratic presidential candidate in 1956.

“This is possible,” Butler replied.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BRIDGES. Before I yield, I should like to say that while the distinguished majority leader has referred to the pianos of other Presidents, the sons of other Presidents, and so on, I have never heard a great decision being made on such a slim reed as that upon which Butler's belief is based when he says that the President is not going to run again. I know Butler has been desperately wishing and hoping that the President will not run, but I never believed he would base such statement on the fact that the President's wife had a head cold. So far there have been more important and major considerations on which to determine whether the President should run again. I think the chairman of the Democratic National Committee has advanced a pretty slim reason when he states that he believes the President will not run again.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from South Dakota.

Mr. MUNDT. I enjoyed what the Senator had to say. I want to dissociate myself from one part of the analogy that the minority leader used

when he referred to the fact that Mr. Butler was using the cold of the President's wife as an anvil on which to beat the President. Instead of an anvil, it is a mirage on which to pin a tattered and futile hope for 1956.

Mr. BENDER. Mr. President, I had not intended to make any comment on the matter under discussion by the Senator from Arizona, and other Senators until the distinguished majority leader mentioned a fellow Ohioan for whom I have had the greatest respect throughout my life. Above all else, the Secretary of the Treasury, Mr. Humphrey, is a gentleman; and I know he is not given to making any snide references or personal references in any way reflecting on the character or the ability of any individual.

Certainly many of us feel the \$20 alleged tax cut to some extent justifies the contention that it is a frivolous proposal. Certainly it is already obvious that it is designed for political propaganda purposes only. The same persons who are urging the adoption of the proposal are the Democrats who never cut a tax in all the time they were in office, before, during, and after the war years. These same persons are asking for more appropriations for military purposes, for more public housing, and for more Federal spending, up and down the line. Yet at the same time, they pretend to be sincere in asking for reduced taxes.

There is no way in which our Government can cut taxes and spend more money simultaneously. We cannot eat our cake and have it, too, without risking the kind of inflation which hits the pocketbooks of every working family in our country.

I shall oppose this political tax cut, but I shall do my best to encourage Congress to reduce major Federal spending so that we can have a balanced budget and honest tax relief.

I hope we will have that in mind all the time when the tax measure is under consideration.

We cannot cut taxes unless we first cut spending. When more expenditures for schools are being encouraged, which is wholly in order, or greater expenditures for other purposes, such as increasing our Military Establishment, if necessary, we cannot talk about cutting taxes unless we are playing politics with the people of the country, and when we advocate tax reduction, in view of the condition of the Treasury, we are proposing something that is perfectly absurd.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that I may speak for 2 minutes, in making a rejoinder to the comment I heard a moment ago from the Senator from Ohio.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Is there objection? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I appreciate this courtesy.

I was very much intrigued with the comment of the distinguished Senator from Ohio in reference to the tax bill. My comment would be quite pertinent. The Democratic Party unfortunately has had to bear the burden of conducting

the affairs of the Nation during World War II and also during the very trying and difficult postwar period. It is interesting to note that the accomplishments of those two periods are now matters of great historical significance to the Nation, and of great pride to the American people.

Our Republican friends seem to indicate that they are in favor of tax reduction. There is no doubt that they have reduced taxes. My question to the American people is this: Tax reduction for whom?

I suggest that as the Banking and Currency Committee reviews the operations of the stock market, the committee may find that the tax-reduction bill of last year has had as much to do with what is occurring in the stock market as has anything else.

Furthermore, it is interesting to note that the only time our Republican colleagues seem to be interested in inflation is when it adversely affects some of their warmest friends. I point out that the inflation in the stock market does not seem to be a subject of great concern to the leadership of the Republican Party. I further point out that the tax reductions which have occurred thus far have been of little or no benefit to the multitude or the majority of the American people.

I point out that the Democratic leadership of the Senate will present a tax program for the Senate to vote upon, and that program will give the administration its long-heralded opportunity to balance the budget, if it wishes to do so, and at the same time will provide a modicum of tax relief for those who really need it.

It appears to me that a \$10 or \$20 tax relief for the average citizen is a modicum of equity, in view of the almost unbelievable amount of tax relief which has been extended, by two tax bills of the 83d Congress, to the large business and financial interests of the country.

Finally, Mr. President, let me say that I am not at all impressed with the fact that the administration "blooper" of permitting a great loophole to occur in the tax law—a loophole which resulted, as a minimum, \$1 billion in loss of revenue—is compensated for by saying, "I am sorry." A \$1 billion revenue loss exceeds even some of the greatest extravagancies of the Democratic Party.

Mr. DIRKSEN subsequently said: Mr. President, I wish to say a word about a matter which has been discussed earlier today on the floor of the Senate, namely, one with respect to the indisposition of the wife of the President.

To me, Mr. President, it is something more than political. I would regard it as an affront to the President himself.

Ten years ago the President of the United States was the chief of a great military operation in Europe. If someone had indicated at that time that his devotion to duty was predicated upon the indisposition of some member of his family, I am sure that the person making such an allegation would have been censured. To say now that his determination as to his political future is to be based upon that factor is, after all, an affront to his sense of devotion and his

sense of responsibility to the country, because if a President were to measure his devotion on that basis, it would be a matter of deep concern.

His entire lifetime has been devoted to a military career, in which the sense of devotion to duty has always been exalting. To say now that some day in the future, when the country may be confronted with an emergent situation, he would allow an indisposition on the part of a member of his family to determine what his duty was is not only unfair to the President, but I think it is an affront to his sense of duty.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. Carrying forward the Senator's idea, is it not also an affront to the devotion to duty of his wife, who has gone through many difficult days during times when he was away for protracted periods carrying out his responsibilities to his country? Is there not an affront on that score?

Mr. DIRKSEN. Yes. It is forgotten that he is not only President of the United States, but also Commander in Chief of its Armed Forces at a time when an uneasy situation has been generated in the Pacific. How long it will last, I do not know, but I am confident as to his sense of devotion and his fealty to his country under every circumstance.

Mr. AIKEN subsequently said: Mr. President, this morning when I woke up and turned on the radio to get the news items, there was one which came over which I could scarcely believe. A half-hour later I turned on the news again, and I found I had heard correctly the first time. It was in effect an attack made by Chairman Butler, of the National Democratic Committee, upon the President and Mrs. Eisenhower.

If I understood correctly, the report of what Mr. Butler said, he indicated that he did not believe President Eisenhower would run for reelection because of trouble in the family, and then the explanation was that Mrs. Eisenhower's health was not good, and that the President probably would not run again on that account.

Why did Mr. Butler go to this inhuman length? Why did he try to upset not only these good Christian people in the White House—and thank the Lord they are just that—but also other people in the United States? There can be only one answer. He does not want President Eisenhower to run for reelection. His statement could lead one to think he would be very happy if Mrs. Eisenhower were in poor health. Fortunately, she does not appear to be. We know she is not a strong woman compared to some persons. She is not a tennis champion. She does not climb mountains. She does not go racing halfway around the world every week. But she is one of the most gracious and human hostesses we have ever had in the White House.

Does Mr. Butler think he can make her sick by this kind of talk, by starting these rumors? Does he think he can make her feel she is a drag on her husband's office? Does he think he can make President Eisenhower feel he would

be doing a terrible thing, on Mrs. Eisenhower's account, if he insisted on remaining in the White House?

I do not know what goes on in the mind of a man who would use tactics like those resorted to by Mr. Butler. We have often heard the question asked, "Just how low and evil and loathsome can an animal in human form get?" I think Mr. Butler answered that question very well.

I do not believe there is a self-respecting Democrat in this country—and there are millions of them—who would approve the kind of tactics this scoundrel is attempting to use, trying to hurt the President and his gracious wife, trying to hurt the President at a time when he is called upon to make decisions affecting literally the lives of millions of Americans.

I shall not give any advice to the Democratic Party; its members can stand for this type of thing as long as they like, but I think Mr. Butler has answered the question thoroughly as to just how low a man can get.

1934 TRADE AGREEMENTS ACT— RESOLUTION OF NEVADA LEGISLATURE

Mr. MALONE. Mr. President, the legislature of my State of Nevada urges the Congress, through Assembly Joint Resolution No. 31, to allow the 1934 Trade Agreements Act to expire on June 12, 1955, and return the constitutional responsibility of adjusting duties or tariffs on foreign imports to Congress.

A part of that resolution reads as follows:

Resolved, That the Congress of the United States after June 12, 1955, should set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized and experienced Tariff Commission functioning much in the same manner as the long-established Interstate Commerce Commission so that the market for foreign goods in this country would be based on a fair and reasonable competition with our own agricultural, industrial, and mining production.

The act should be allowed to expire.

THE RESOLUTION—NEVADA RESOLUTION

Mr. President, I ask unanimous consent to have printed in the *RECORD* the entire resolution of the Legislature of the State of Nevada.

There being no objection, the resolution was ordered to be printed in the *RECORD*, as follows:

Assembly Joint Resolution 31

Joint resolution memorializing the Congress of the United States to allow the 1934 Trade Agreements Act to expire on June 12, 1955, so that the regulation of foreign trade and the laying of tariffs and import fees will immediately vest in Congress as the Constitution requires and thereby stop the lowering of the American standard of living by the importation of foreign-made goods

Whereas the Legislature of the State of Nevada is aware of the fact that the selective so-called free-trade policy, adopted by the State Department of the United States under the provisions of the Trade Agreements Act of 1934, is lowering the American living standard through the lowering of wages and is causing unemployment and a

subsequent decline of the demand for minerals, agricultural products, and other commodities produced in the State of Nevada; and

Whereas the indiscriminate lowering of import fees and tariffs, without regard to the differential between the costs of production due largely to the difference in living standards of this Nation and foreign competitive nations, has a demoralizing effect on the mining and agricultural markets of this country and thereby causes unemployment and loss of labor; and

Whereas the State of Nevada is in a particularly vulnerable position in attempting to compete with foreign sweatshop labor because the products produced in Nevada, such as livestock, wool, tungsten, lead, zinc, copper, magnesite, chemicals, manganese, mercury, silicon, and many others, are readily importable at a lower cost from sources outside of this country under the so-called reciprocal trade act, all to the great detriment and economic hardship of this State; and

Whereas many mining companies in the State of Nevada are practically shut down and almost all of the zinc miners are out of work and the cattle industry is being endangered because our ranchers cannot compete with the importation of hides, beef, or live cattle from Argentina or Mexico; and

Whereas the haphazard lowering of the floor under wages and investments represented by the tariffs and import fees destroys American workingmen and shifts their jobs to foreign soil; and, as a result, many of our mines, mills, and factories have been closed and our farm production saved only by subsidies; and

Whereas those industries which depend upon the power of Hoover Dam and Davis Dam are in danger because similar products are being imported at a price less than production costs in this State; and

Whereas the Nevada wool industry has found it impossible to compete with the importation of wool from Australia, New Zealand, and elsewhere; and, for the first time, the wool industry of Nevada is only being saved from destruction by the use of subsidies; and

Whereas it is essential to the protection of the American standard of living that world trade should only be on the basis of fair and reasonable competition and based on the principle that foreign products produced by underpaid labor should not be admitted to this country on terms which endanger the living standard of our workers, farmers, and miners; and

Whereas article I, section 8 of the Constitution of the United States requires that Congress should lay duties, imposts and excises, and regulate foreign commerce, but the Congress of the United States has abdicated its constitutional duties by virtue of the Trade Agreements Act of 1934 by transferring the duty of fixing tariffs to the executive department of the Government which has, in turn, carried out policies inconsistent with the welfare of American agriculture, industry, and commerce; and

Whereas the free-trade policies fostered by the State Department under the 1934 Trade Agreements Act have resulted in our dependence upon foreign nations across one or both major oceans for many of the materials and minerals which we would need to fight a war and to prepare our own defense and thus stifled the initiative to explore, develop, and produce such needed materials in our own country; and after having become dependent on foreign sources for critical materials the foreign countries have been able to cause us great embarrassment by manipulation of export permits and fees so that we must bow to their demands and submit to international blackmail; and

Whereas the United States has in the last several decades only been able to prosper because of war or the threat of war and under this cover of war the industrially inexperienced State Department has been wrecking the national economy by the simple expedient of tampering with tariff or import fees so as to open the door to foreign commodities, which, in turn, prevents the flow of venture capital into the business stream of the Nation even in time of emergency since investors know that when the emergency is over their investment will be destroyed through foreign sweatshop labor competition; and

Whereas it is mandatory to the future economic growth and development of this country, and Nevada in particular, that the 1934 Trade Agreements Act be allowed to expire on June 12, 1955, so that Congress can immediately recover its constitutional responsibility to regulate foreign trade through the adjustment of tariffs and import fees, and with such an expiration of the act the so-called trade agreements already made and, in effect, will in no way be affected but will continue in effect for their full terms: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada most respectfully memorializes the Congress of the United States to stop the dreadful deterrent to American economic well-being and the lowering of our standards of living and that it return to its traditional and constitutional method of fixing tariffs based on the principle of protecting American industry, agriculture and commerce by allowing the 1934 trade agreements act to expire by its own force and limitation on June 12, 1955; and be it further

Resolved, That until the expiration of the agreement, the Department of State should exercise its powers in fixing tariffs only in accordance with the traditional principles of American policy as set forth in this resolution until such time as the responsibility for regulating foreign commerce be vested where it belongs, in the Congress of the United States; and be it further

Resolved, That the Congress of the United States after June 12, 1955, should set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized and experienced tariff commission functioning much in the same manner as the long-established interstate commerce commission so that the market for foreign goods in this country would be based on a fair and reasonable competition with our own agricultural, industrial and mining production; and be it further

Resolved, That copies of this resolution, duly certified by the secretary of state of the State of Nevada, be promptly transmitted by him to the President and Vice President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of State and the Secretary of Commerce, and to the United States Senators and Congressman from Nevada.

A CONSPIRACY TO DESTROY THE AMERICAN WORKINGMAN AND INVESTORS

Mr. MALONE. Mr. President, the 1934 Trade Agreements Act transfers the constitutional responsibility of Congress—Article I, section 8—to adjust the duties or tariffs on foreign imports, and to regulate foreign commerce (foreign trade) to the executive branch of the Government, with authority to virtually remake the industrial map of the United States through the adjustment of such duties or tariffs without the approval of Congress.

Mr. President, the 1934 Trade Agreements Act is the economic approach to destroy the workingman and small investors of this Nation, and to make us dependent upon foreign nations for critical materials without which we cannot fight a war or live in peace.

The frantic attempt to extend this act for 3 years and to lower still further the duties or tariffs without regard to the differential of costs of production here and abroad, due to our higher wage standard of living, can be called a conspiracy to destroy this Nation.

The act should be allowed to expire.

CONDUCTED TOUR FOR YOUNG RUSSIAN EDITORS

Mr. BENDER. Mr. President, I am very much interested in the proposed tour of young student editors from Russia which our immigration authorities are sanctioning this year. The theory is that this tour will be an experience similar to the one enjoyed by young American college newspaper editors in Russia last year. It is historically painful to remember that every Russian journalist who has ever visited our country has seen only what he wanted to see. Sometime back Mr. Ilya Ehrenburg, a famous Russian journalist, visited America and saw nothing but slums, bread lines and segregation and his reports made America look like something out of the Dark Ages.

I should like to permit these young editors the opportunity to see everything in this country, but I should like to make sure that at some time during their visit they see America at its best.

I should like personally to conduct these visitors on a tour of Ohio. Let them visit our public schools; take them to a Cleveland Indians baseball game when Larry Doby is batting against a weak right-handed pitcher; walk into the courthouse in Cleveland, Ohio, where Judges Perry B. Jackson and Charles White are presiding over cases; visit the Thompson Aircraft Products Co. and take a look at the parking lot; have them meet the members of the State legislature and city councils of our big cities; have them talk to our farmers. I think we could top it all off with a visit to some of Ohio's colleges, of which our State has more than any other in the Union; show them the work being done in our community centers, and let them ask all the questions they wished.

I am certain that some of those who go through this kind of experience will be tempted to do what a courageous young Yugoslavian student did a few months ago when she came to America on a student tour. She came, she saw, and she stayed, escaping from her watchful Communist guards and marrying a fine young American.

MILK MARKETING ORDERS

Mr. HUMPHREY. Mr. President, many times on this floor I have called attention to some of the inequities of the milk marketing orders in discriminating against dairy producers of the Midwest.

I am proud that we now have in Minnesota a Democratic governor to help carry on the fight for protection of our Minnesota dairy producers; and today I serve notice that a determined effort is going to be made to improve these marketing orders, to the point that such discrimination is avoided.

Mr. President, I ask unanimous consent to have published at this point in the RECORD, a joint resolution of the Minnesota Legislature, memorializing the Congress of the United States to amend the Agricultural Marketing Agreement Act, as it pertains to these milk marketing orders.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Joint resolution memorializing the Congress of the United States to amend the Agricultural Marketing Agreement Act.

Whereas in many milk marketing areas of the United States in which orders promulgated pursuant to the Federal Agricultural Marketing Agreement Act of 1937 are effective, the minimum price to producers for fluid milk has been set unreasonably high; and

Whereas certain of said orders have arbitrarily discriminated against various forms of milk produced in other areas; and

Whereas various State statutes and local ordinances which ostensibly were enacted for the protection of the health of consumers of milk and milk products actually lack any reasonable degree of uniformity, and are unduly restrictive and arbitrary, and not reasonably related to such ostensible purpose; and

Whereas by reason of the premises, the price of fluid milk to consumers in such areas has been raised so high as to curtail consumption of fluid milk, and uneconomic production of large surpluses of milk has been stimulated in such areas, and the price of milk for manufacturing purposes throughout the United States has been unduly depressed, and producers of milk in other areas of the United States who produce milk of good quality more economically have been deprived of normal and natural markets for their milk, and interstate commerce in milk has been unduly obstructed: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be memorialized to amend the Agricultural Marketing Agreement Act of 1937 so as to limit the differential between the price of milk for fluid purposes and the price of milk for manufacturing purposes which may be allowed by any order promulgated under said act, and so as to require that each such order applicable to milk include a provision requiring that the price of milk for fluid purposes be reduced whenever the production of milk in the area subject to such order is in excess of the market requirements in such area during the seasons of short production in such area, and so as to prohibit the inclusion in any such order of any provision which will have the effect of discriminating against milk or milk products produced outside of such area and so as to render lawful the sale in such area of any milk or milk products produced anywhere in the United States in compliance with such sanitary standards as may be promulgated by the United States Public Health Service, and so as to recognize and protect effectively the interests of producers and handlers who are outside of such area but desire to market milk or milk products within such area; be it further

Resolved, That the secretary of state transmit a copy of this resolution to the President of the United States, the Secretary of Agriculture, and to each Senator and Repre-

sentative in the Congress of the United States from the State of Minnesota.

Approved by Minnesota State Legislature on March 7, 1955.

ORVILLE L. FREEMAN,
Governor of Minnesota.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have published at this point in the RECORD a copy of a press release issued by Governor Freeman of Minnesota, announcing a three-pronged attack on the problem of opening markets to Minnesota milk and milk products.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Governor Orville L. Freeman today announced the launching of a three-pronged attack on the problem of opening markets to Minnesota milk and milk products, stating that such efforts are long overdue:

"1. We intend to take legal action directed toward ending arbitrary and unrealistic so-called 'sanitary' regulations which are really intended to create a monopoly for producers in certain preferred areas. Several such areas are located where, if it were not for such restrictions, Minnesota milk could pay transportation costs and still compete favorably with their locally produced milk. Certainly milk and milk products produced anywhere in the United States in compliance with standards set up by the United States Public Health Service should not be barred from markets in any part of our country.

"2. We will take legal steps provided for under the Milk Marketing Agreement Act to protest and prevent the incorporation into orders under that act such 'gimmicks' as have the effect of excluding our dairy products from milk marketing agreement areas. An example of such an order is that which provides that evaporated milk sold in the New York area either must be manufactured from fluid milk for which the producers have been paid prices equal to those paid producers in that area, or—if prices to producers have been lower—the difference must be paid into a pool to help support the program in the New York area. Since Minnesota milk production is carried out more economically than that in New York, this effectively keeps our evaporated milk out of the New York market. Efforts are being made to extend this practice to dried milk as well.

"3. We will exert every effort to secure an amendment to the Agricultural Marketing Agreement Act of 1937 so as to limit the differential in price that may be established under that act between the price of milk for fluid purposes and the price of milk for manufacturing purposes.

"This part of the program is of immediate importance to us in Minnesota," Governor Freeman said, "and I am urging the legislature to memorialize Congress to that effect. The differential between the prices of milk for fluid consumption and for manufacturing is often so great that the result is: (1) A price on fluid milk that is so high that consumption is curtailed; (2) a price on milk used for manufacturing that is so low that the finished milk product competes on a cut price basis with similar products manufactured here. In the milkshed area in which this prevails there is thus an uneconomic production of large surpluses of milk which go into manufacturing, at the expense of a greater consumption of fluid milk which the people of the area really need.

"We have had numerous examples of manufactured products from milkshed areas being sold at levels below those from our manufacturing milk areas. Only about a year ago, one of our larger milk powder manufacturers was forced to cut his price in order to meet competition from the New York milkshed, with the result that almost

immediately prices declined everywhere in the country.

"I want to make it clear," the governor said, "that we are not opposed to the principle of Federal market orders. We do not want to bring about the demoralized price situation which was responsible for their creation in the first place. We ask only that they do not set up monopolies which encourage local production beyond its normal expansion and that they do not price fluid milk so high that consumers lower their consumption. Specifically we recommend that the price for fluid milk be reduced whenever the production in the milkshed is in excess of the market requirements of the area."

Mr. HUMPHREY. Mr. President, Governor Freeman has invited his neighbor States of the Midwest to join with him in this effort. I ask unanimous consent to have printed at this point in the body of the RECORD a copy of his letter to Governor Hoegh, of Iowa, a similar letter having been sent by Governor Freeman to Gov. Joe Foss, of South Dakota, Gov. Norman Brunnsdale, of North Dakota, and Gov. Walter J. Kohler, of Wisconsin.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 3, 1955.

GOV. LEO A. HOEGH,

State Capitol, Des Moines, Iowa.

DEAR GOVERNOR HOEGH: Enclosed herewith you will find a copy of a press release and a resolution, the contents of which I believe are self-explanatory. I know that you and the people of Iowa share the same deep concern that we of Minnesota feel regarding the progressive restrictions preventing us from competing in various milk markets throughout the United States.

We of the upper Midwest are blessed with an efficient and productive dairy industry. Yet we find ourselves in a position where we are progressively excluded from milk markets where we could sell a cheaper and better product than the presently favored and protected suppliers. The present restrictions, both in the nature of arbitrary and unreasonable sanitary regulations and also by way of "gimmicks" which have been added to milk-marketing orders, seriously penalize our efficient producers, hurt the United States as a whole, and in addition are, I believe, unconstitutional.

We of Minnesota therefore propose to institute legal action, both in the courts and through appropriate administrative channels, and also to urge the passage of necessary corrective legislation by the Federal Congress.

We would like to invite you of Iowa to share with us in this effort. I would be most happy to review this matter with you personally or confer through my agricultural advisers with whomever you might designate from your State to look into this matter.

I predict our efforts to correct the present injustices will be long and a sometimes bitter battle. Nonetheless, our cause is just, and if we pursue it with vigor, I am sure we shall triumph.

Sincerely yours,

ORVILLE L. FREEMAN,
Governor of Minnesota.

Mr. HUMPHREY. Mr. President, Governor Freeman and the junior Senator from Minnesota have discussed this situation at great length, both before and since his election, and have determined upon a course of action which we believe is only justice to the Midwest.

Governor Freeman has my hearty backing in this effort, and will have my energetic support. Amendments to

the Marketing Act, to carry out these objectives, are now being prepared. I shall welcome having the Senators from Iowa, North Dakota, South Dakota, and Wisconsin and other States join me in introducing the bills which will incorporate these amendments to the act, as soon as they are completed.

However, I want to join Governor Freeman in making it clear that we are not opposed to the principle of Federal market orders, and do not want them abolished. We believe in economic protection for all dairy producers, everywhere. We do not want to see any return of the demoralized price situation which was responsible for creation of the marketing orders in the first place.

We only want safeguards to protect against monopolies which encourage local production beyond its normal expansion, and against having fluid milk priced so high in our big cities so as to hamper consumption.

All that we are seeking is that the price for fluid milk be reduced whenever the production in the milkshed is in excess of the market requirements of the area.

Mr. President, I desire now to refer to another subject.

THE PRESIDING OFFICER (Mr. THURMOND in the chair). The Senator from Minnesota has the floor.

HOUSING CENTER PAYS CITY \$14,249

Mr. HUMPHREY. Mr. President, I hold in my hand an article, published in the Minneapolis Star of recent date, and bearing the headline "Housing Center Pays City \$14,249." I ask unanimous consent that the entire article be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOUSING CENTER PAYS CITY \$14,249

A total of \$14,249.68 was paid by the Minneapolis Housing and Redevelopment Authority to Hennepin County in lieu of taxes for the Glendale public low-rent housing development in southeast Minneapolis between October 1, 1952, and September 30, 1954.

A. C. Godward, executive director of the authority, so informed the city council today by letter.

In 1950, prior to creation of the project, private homes in the area produced a tax return of \$2,957.19, Godward reported.

In 1954, the authority paid a total of \$7,124.84 in lieu of taxes, he said.

Mr. HUMPHREY. Mr. President, I make note of the fact that, according to the article, in 1950 prior to the creation of the housing project, private homes in the area produced a tax return of \$2,957.19; and in 1954, the authority paid a total of \$7,124.84 in lieu of taxes. It now appears that during the 2 years the sum total of \$14,249.68 has been paid, which I may say proves the sound economics of an effective housing program, and proves that even though the Federal Government may be helpful in this matter, the local and State governments actually benefit from the expenditures which are made.

UNIVERSAL MILITARY TRAINING

Mr. MARTIN of Pennsylvania. Mr. President, on Monday, February 21, I placed in the daily RECORD—where it appears on page A1097—an address delivered by Brig. Gen. L. V. Hightower, on the subject of training a modern army.

In order that we may have trained men remain with the service, it seems to me that it is necessary to have universal military training. This is fair and it is American.

The Gallup poll made a poll of the women of the United States, as to their attitude on universal military training, and this report has been printed by the American Legion.

The report is so important, that I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Seven out of every 10 Protestant women and 8 out of every 10 Catholic women are in favor of UMT (national security training) legislation, according to the latest poll by Dr. George Gallup, director of the American Institute of Public Opinion at Princeton, N. J. The principle of UMT has been approved by the general public, Dr. Gallup states, in more than a score of institute surveys since 1942. The survey of February 20, 1955, says: While women leaders of the Methodist Church have undertaken a campaign to enlist their members to oppose UMT, a nationwide survey conducted by the institute finds that 7 out of every 10 Protestant women favor the proposed defense measure. Among Catholic women, the figure is higher still—with more than 8 out of every 10 in favor. A smaller ratio in favor was found among women of the Jewish faith reached in the survey, with nearly 6 out of every 10 approving universal training in principle. Nationwide, the vote in favor of UMT today is 73 percent with 22 percent opposed and 5 percent expressing no opinion. Today's vote by religious preference is:

WOMEN

	Protestant	Catholic	Jewish
	Percent	Percent	Percent
Favor.....	70	81	59
Oppose.....	24	17	31
No opinion.....	6	2	10

MEN

Favor.....	75	82	81
Oppose.....	22	13	16
No opinion.....	3	5	3

PRODUCTION OF BURLEY TOBACCO

Mr. CLEMENTS. Mr. President, at the present time a joint House-Senate Subcommittee on Tobacco, from the House and Senate Committees on Agriculture, is meeting to try to reach a decision on proposed legislation and other administrative steps which may be taken or should be taken to alleviate a situation which is presently found to exist with respect to burley tobacco. There is on hand nearly a 3½-year stock, when a sound program would call for only about a 2.6 or 2.5 years' supply.

There were 2 fine statements made this morning before the joint committee, 1 by Mr. Randolph S. Taylor, executive secretary, Burley & Dark Leaf Tobacco

Export Association, Inc., and 1 by Mr. Burl S. St. Clair, president of the Kentucky Farm Bureau Federation.

I ask unanimous consent that the statements may be included in the RECORD as a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY RANDOLPH S. TAYLOR, EXECUTIVE SECRETARY, BURLEY & DARK LEAF TOBACCO EXPORT ASSOCIATION, INC., BEFORE JOINT HOUSE-SENATE SUBCOMMITTEE ON TOBACCO, MARCH 10, 1955

My name is Randolph S. Taylor. I am executive secretary of the Burley & Dark Leaf Tobacco Export Association, Inc. This is a federated trade association with offices here in Washington having as its members associations of growers, dealers, warehousemen, and farm organizations from the eight-State burley tobacco-producing area. The primary objective of the association is to promote the use and sale of burley tobacco in domestic and export channels.

The critical situation facing growers of burley tobacco was outlined in detail to your committee by witnesses of the Department of Agriculture last week. Briefly and bluntly it can be summarized simply as a situation where we have too much tobacco in the face of a down-turn in domestic consumption, with 442 million pounds, including one-third of the 1954 crop, under loan to the various growers cooperative associations. In fact, if there were not one single pound of burley tobacco produced during the year 1955 our supply situation at the beginning of 1956 would only then be at about the desired level. The paramount question facing all of us who are interested in the commodity is therefore one of finding a suitable orderly solution to the problem which will save the program and at the same time prevent economic disaster in the areas where it is grown.

I desire to submit for your consideration a three-point package legislative proposal which I sincerely believe will accomplish the objective we all desire. I shall list the proposals involved and discuss each one individually.

PROPOSAL NO. 1

The Secretary of Agriculture should be given legislative authority to redetermine the 1955 burley tobacco quota and individual farm acreage allotments on the basis of the most recent statistical data available provided that the additional reduction for 1955 shall not exceed 15 percent.

Comment

Present legislation does not permit the Secretary to further decrease a quota previously announced. Due to the drastic change in the supply situation now as contrasted with last November the Department of Agriculture in testimony before this committee has requested the authority to take this action and has indicated that the additional reduction in acreage might be as much as 25 percent. The Eight State Burley Tobacco Committee, various associations of growers, farm organizations and other groups have recommended this action. Everyone with whom I have talked considers this action absolutely necessary in order to spread out the needed reduction over a 2-year period and in order to avoid a reduction in 1956 of such proportions as to wreck the program and completely cause economic ruin to the principal burley tobacco producing areas. The proposal for the 15 percent limitation will be recognized as a moderate approach in developing a means of softening the reduction insofar as practicable for 1955.

PROPOSAL NO. 2

Notwithstanding any other provisions of present law legislation should be enacted to

permit a reduction in allotments of 0.7 acre or less provided such reductions for these allotments are limited to a maximum of 0.1 acre per year.

Comment

This proposal brings up the touchy minimum acreage allotment controversy which has been troubling the program since 1947 and which in my considered opinion has contributed more than any other single factor to our present serious situation. Among others present in this room today I had a small part in urging the enactment of this minimum legislation in the spring of 1944.

It is perhaps ironical that legislation designed and enacted by Congress to continue the program has now evolved into a vehicle to destroy it. The 1-acre minimum allotment for burley tobacco was enacted in March of 1944 as a wartime measure to increase production and continue the program at that time. Simply, it provided that for any farm having a 1943 acreage allotment of less than 1 acre the allotment for 1944 would be increased to 1-acre subject to certain limitations relating to the acreage of cropland in the farm. You will remember that this was during World War II and that all other farm programs had been suspended except those designed to increase or encourage production of food and fiber crops. I would like to read to you the preamble of the legislation as enacted by Congress in the spring of 1944 as Public Law 276.

"Whereas the increased demand for cigarettes and other tobacco products has resulted in record usages during recent years of burley tobacco; and

"Whereas due to a shortage of labor and equipment and the need for the production of essential food and fiber crops, the production of burley tobacco has not kept pace with this increased usage; and

"Whereas small growers of burley tobacco could, if their acreage allotments were increased, produce additional burley tobacco without adversely affecting their production of essential food and fiber crops: Therefore be it resolved—"

I am sure you will agree that the condition outlined then is vastly different from that facing us today. There is evidence to show that this legislation accomplished the desired objective. Production was increased and the quota acreage allotment program was maintained without interruption. Public Law 276 was in the light of the circumstances that followed mistakenly enacted as permanent legislation. At the time of its emergency passage no one could foresee an end to the worldwide conflict in which we were then engaged.

No reductions in allotments were made for the year 1945 but by 1946 when it was realized that a reduction in allotments was necessary it became evident to many of us that some action was needed with respect to revision of Public Law 276. The first such legislative action came in that year when Congress kept the legislation but for the year 1946 only permitted 1 acre allotments to be reduced by 10 percent which was the same reduction applied to all other allotments in that year.

In 1947 a further decrease in acreage allotments of 19.6 percent was invoked with the reduction applying only to allotments above the 0.9-acre level. By this time the group of protected allotments had increased to an estimated 150,000 or an estimated 50 percent of the total number. Since the 19.6 percent reduction for 1947 applied only to that 50 percent of the allotments of 1 acre or more the actual overall reduction obtained in total allotted acreage amounted to less than 16 percent. Thus the first seeds of inequity, injustice, and unfairness were sown.

During the following 3 years 1948, 1949, and 1950 a further reduction of 16.1 percent was imposed on all growers having allotments in excess of 0.9 acre. No reduction was made during any of these years to the

ever-growing protected minimum acreage group. By this time the size of the protected group had increased to an estimated 56 percent of the total. As in 1946 the 16.1-percent reduction for these 3 years resulted in only an 11-percent reduction overall, all of which came from the unprotected 44 percent of the growers. Thus was the second inequitable action taken.

In 1951 an 11-percent increase was proclaimed which was applicable to all allotments including the 58 percent having allotments of 0.9 acre or less. This action forcefully illustrated that the small growers were protected from decreases but shared in all increases. This particular procedure, which seemed proper and justified to me, nevertheless caused much criticism and comment from growers having allotments of 1 acre or more and therefore can be listed as inequitable step No. 3.

A change in farm acreage allotments was not necessary for the year 1952 and it was during this year that the Congress approved a revision in the minimum acreage level to its present figure of 0.7 of an acre. Therefore the acreage reductions which were necessary and taken successively for the years 1953, 1954, and the 10 percent previously announced for 1955 have all been taken on an equitable basis. These three reductions have reduced the protected 1-acre allotment group to a present level of 0.7 of an acre. This group which is not subject to further acreage cuts now totals 207,000 growers or 64 percent of the total allotments established. The remaining 36 percent of growers whose allotments are in excess of 0.7 of an acre must therefore, under present legislation, completely absorb the entire 50 percent plus reduction which the Department states now appears necessary for 1956.

I have had the pleasure to have been closely associated with the present quota program since its inception in 1938. I have had active participation and experience with the program at the farm, county, State, and Washington levels during the last 17 years. It is on the basis of this experience that I repeat my previous statement that it is my considered opinion that the minimum acreage provisions of the program—more than any single other factor—is responsible for our present situation. I firmly believe that the principle of treating one group of farmers different from another is fundamentally unsound in a production-control program. The average burley allotment for 1955 is less than 1.2 acre. The establishment of a protected group of farm allotments constituting 64 percent of the total at a level of 60 percent of the average for all allotments completely removes the possibility of an equitable or effective production-control program under circumstances existing today.

I sincerely believe that circumstances such as this have created a feeling about the program which has set the stage for the condition we have at present with a host of excess producers, numerous hidden fields, cases of improper destruction of tobacco, lax measurements, and an overall letdown in field administration generally. We have increased yields more in burley tobacco than in any other type. I suggest the possibility of less emphasis having been placed on this endeavor had not many producers felt that something had to be done to overcome what they believed to be a matter of inequitable treatment.

The net result of this condition of a feeling of inequity and injustice associated with the minimum-acreage allotment procedure has had serious consequences. It has provided the basis for misunderstanding and resentment among farm neighbors, among communities, among counties and States producing this commodity. It has prevented the realistic proclamations of acreage reductions or increases. It has prevented all of us, as a group, growers, warehousemen, dealers, farm organizations, and the Govern-

ment, from having a common ground on which to meet and work out agreeably and satisfactorily the solutions to our problems as they have arisen.

I have yet to find a single person who is thoroughly acquainted with the program that will admit to me privately that the minimum-acreage provision of the program is sound. Some of the national farm organizations for many years have had resolutions opposing minimum-acreage provisions. No other type of tobacco has a minimum-acreage allotment. Yet there are other types with successful quota programs and with smaller average acreage allotments.

The suggestions embodied in proposal No. 2 are offered for your consideration from an understanding, practical viewpoint, and in a definite spirit of compromise. They are equally fair to large and small growers alike. The proposal as recommended would for the large present 0.7-acre group of growers place the minimum acreage at 0.6 acre for 1955 and 0.5 acre for 1956. It is my sincere feeling that in 2 years' time under this equitable, fair approach that we will have the program in hand to the point that further acreage reductions will not be necessary.

PROPOSAL NO. 3

Notwithstanding other provisions of law, the Secretary should be directed to conduct a referendum in the regular manner among growers by May 1, 1955, to secure their approval or disapproval of the actions recommended for the 1955 crop year under proposals 1 and 2.

Comment

Under present legislation the next referendum in burley tobacco will be held this fall for the crop years 1956, 1957, and 1958. The quota program for 1955 has previously been approved by the growers with the understanding that allotments of 0.7 acre or less would not be reduced. Even if legal, to my mind it would not be morally right to change the rules in the last part of the game without approval of the growers. This proposal would place responsibility for acceptance or rejection of the matter exactly where I feel it belongs—on the grower himself. I submit to each of you that this is the only proper, fair way for action of this kind to be taken.

CONCLUSION

I am fully aware of the economic situation facing burley tobacco growers. Contrary to the ideas of some people, it will affect all areas alike. It is not a one-sided or big grower versus small grower problem. In the final analysis, all growers are small. About 90 percent of all tobacco grown on the larger-allotment farms is produced by tenants. The tenants' average share of the crop for the entire burley belt is less than 1 acre. A 50-percent reduction in the allotment for these farms can only result in 1 of 2 alternative actions as far as the tenants are concerned. Their shares in these crops will be reduced to approximately a half acre or, and this is more likely, about one-half of the thousands of tenant farmers will be entirely displaced from the only occupation they know—the growing of tobacco.

The three proposals submitted to you today have been thoroughly checked with various leaders in the industry as well as informally with representatives of the Department of Agriculture. In each instance they have indicated that they believe that the proposals are sound. No claim is made for their completeness nor is it suggested that other proposals might not work. There is no pride of authorship. On the contrary any suggestions containing helpful additions or changes will be welcomed.

May I emphasize the fact that I recommend the adoption of all three proposals as a unit. Adoption of proposal No. 1 without adoption of proposal No. 2 will only serve to aggravate and intensify an already trouble-

some situation. Adoption of proposals 1 and 2 without adoption of proposal No. 3 would result in what I believe to be unfair treatment of growers.

I sincerely feel that these proposals, if all are adopted, coupled with an increase in the penalty rate, removal of credit for overplanting, identification of red-card tobacco and other administrative actions which the Department has stated can be taken to tighten up the program will present a fair and equitable solution to the problem which the growers will overwhelmingly approve. In closing may I suggest to you that it is the responsibility of all leaders in the industry, working with the Congress, to develop a sound workable program. It then follows that it is the responsibility of the growers to accept or reject the program through the democratic process of a referendum vote.

STATEMENT BY BURL S. ST. CLAIR, PRESIDENT OF THE KENTUCKY FARM BUREAU FEDERATION, BEFORE SUBCOMMITTEE ON BURLEY TOBACCO, REPRESENTING THE HOUSE AND SENATE AGRICULTURAL COMMITTEES, MARCH 10, 1955

The Kentucky Farm Bureau commends the Senate and House Agriculture Committees for recognizing the seriousness of the present Burley tobacco situation. We appreciate this opportunity to appear before this committee with regard to our suggestions as to how we think some of these problems confronting the Burley grower today can be solved.

The Kentucky Farm Bureau Federation is composed of 74,007 farm families. It is an independent, nongovernmental, self-financed, family organization, founded for the purpose of protecting and promoting the best interests of farmers in the State of Kentucky.

Several years ago we conducted a survey of our membership and found that 86 percent of the farmers in Kentucky who belong to the Farm Bureau list tobacco as their major cash crop. We feel that we would be doing something far less than our duty if we did not seek to appear before this group with positive, workable suggestions that may be put into action for the purpose of helping the Burley farmer in his present dilemma.

We know that this committee has before it factual information regarding stocks of Burley tobacco on hand and the reasons for the surplus supply. As most of our recommendations are based on United States Department of Agriculture figures, we will not burden you with reiteration. Therefore, I present to you today the recommendations of the Kentucky Farm Bureau board of directors adopted at a special meeting held in Louisville March 3.

We favor continued acreage controls and we would supplement these controls with poundage quota, providing that a practical and workable figure can be reached as to what the pounds per acre would be. It is our opinion that any definite poundage to be proclaimed at this time without due consideration with tobacco authorities, Government and nongovernmental agencies and others in the industry, would be indefensible.

We favor necessary legislation from Congress to cut further the present acreage allotments for 1955, in order that further tobacco surplus may be prevented.

Because of the inconsistencies now existing in regard to tobacco allotments, we favor legislation for the reduction of acreage allotments on a basis that would apply to all growers alike.

We urge that allotments given to new farmers be based on qualification of the landowner and not the tenant.

We ask that the penalty of 75 percent of previous year's average selling price be levied on excess tobacco.

We favor the further tightening up of the present burley program as far as administration is concerned. For example: The

training of persons responsible for measuring tobacco acreage by engineers and other college personnel; that one person be responsible for all measurements in each county; that all excess tobacco be destroyed in the field if this is at all possible; that enforcement measures should be taken in order that marketing cards should be presented at the scales when crops are weighed and that no tobacco crop will be weighed without a marketing card; that necessary measures be taken to change the amount allotted for acreage adjustment and the amount allotted to new growers from one-half of 1 percent to one-tenth of 1 percent; that the total "cropland" and "facilities" provisions of the present law be enforced to require strict compliance by so-called town-lot growers.

We believe that these suggestions and recommendations would be beneficial to the tobacco farmer with no unjust hardship on any segment of the industry. We appreciate the opportunity to appear before this committee today and we certainly hope that our program will be seriously considered by this subcommittee. Thank you.

FEDERAL HIGHWAY PLAN

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD certain editorials and articles in regard to the Federal highway plan.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Malone (N. Y.) Telegram of January 29, 1955]

NATIONAL HIGHWAYS

Nobody will argue with the President when he says that the United States is caught in a traffic jam. But several objections are being fired at the details of the White House \$100 billion program to get the Nation out of the jam.

Very shortly the President will send his program to Congress for action. Motorists, bus riders * * * just about all of us * * * have a stake in this Federal highway program, so let's take a short look at it and some of the objections.

The American Automobile Association objects principally to the building of any more toll roads. This is part of the President's proposal. The New York State Automobile Association says this State should not rely on the national program. The State should go ahead and spend the proposed \$50 million agreed on by both parties at Albany, says the NYSAA, making sure that any increase in motor fuel taxes is used to pay for better roads.

Senator HARRY BYRD, Virginia Democrat, who now heads the Senate Finance Committee, also has an objection. He doesn't like the idea of tying up the revenues from Federal taxes on motor-vehicle fuel to pay for highway bonds. The Senator suggests that these Federal fuel taxes be cut so that the States can raise their own taxes on gasoline and diesel oil. That way, he says, the States can build these roads and control them. His idea is undoubtedly good, so far as it goes, for the bigger, more populous States. But will the smaller States be able to pay for their share of the roads they will need to carry the 80 million vehicles that will be crowding them within 10 years?

Even Senator Byrd and the group that support his distaste for the financing plans of the President's program do not come out flatly and say we do not need a national net of superhighways. That would be something like saying we do not need peace on earth. There seems to be recognition that we as a nation have committed ourselves to living on wheels. The problem is bigger

than the ability of the separate States to cope with it. Whatever is done in this Congress to the President's program, if the alterations result in putting off the solution, may be regretted by the whole Nation. Details may be altered, but some national program should be started.

[From the Garden City (Long Island, N. Y.) Newsday of January 22, 1955]

DEBT BY DEFINITION

Senator HARRY BYRD, the Treasury watchdog, has raised violent and valid objections to the \$101 billion Federal-State road building plan which the President is expected to submit to Congress next week.

BYRD is well qualified to speak. He is an expert on finance, and under his leadership Virginia has built—and paid for—thousands of miles of first-rate roads.

Under the road-building plan, the result of work by a committee headed by Gen. Lucius Clay, the Federal Government would continue its present aid-to-highways program at the rate of \$623 million a year, and spend, in the next 10 years, an additional \$25 billion on a 40,000-mile interstate highway system.

To raise the money, the Clay committee proposed that a Federal highway corporation be established and issue \$20 billion in 3-percent bonds, maturing in 1987. Another \$5 billion would be raised by fees from gas stations and motels operating on the right-of-way.

The rest of the money would come from States and localities through which the roads pass. No mention is made of how the States are supposed to raise their \$70 billion share.

Let it not be said that we—or BYRD—are against road construction. The Nation is in desperate need of highways, not only to meet current demands but also to be ready for the vast increase in car and truck use expected in the future. Our highways are 25 years behind the times. The Nation must spend a great deal of money, and must spend it now.

VIOLENT ASSUMPTION

But the Clay suggestions, as BYRD points out, are not the way to raise and spend the money.

Interest of the bonds alone would run to \$11.5 billion, assuming that they can be sold at 3 percent and can be paid off on schedule. And, as BYRD says, "Based on all recent Federal experience, I submit it as a violent assumption to predict these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years."

Just as bad is that the plan is a subterfuge to get around the Federal debt ceiling. The bonds, technically issued by a separate corporation, are not added to the Federal debt, yet appropriations would be required from Congress each year to meet the payments on them.

"You cannot avoid financial responsibility by legerdemain," BYRD says, "and you cannot evade debt by definition." The citizens will have to pay no matter what you call it.

BYRD'S PROPOSAL

Far better than the Clay plan is a program devised by BYRD. He suggests that the 2-cent a gallon Federal gas tax be repealed so that the States can reimpose it. The money would be earmarked for roadbuilding. The present Federal-aid-to-highways program should be maintained. This would be financed, instead of from general revenues as at present, from the existing tax on lubricating oil and from a half-cent gas tax.

Under BYRD's plan, the States would control their highway development, the \$11.5 billion interest would be saved, and plans could be flexible to meet new problems. His proposal would also keep the Federal debt

down and preserve the integrity of the budget system.

This is a far better plan. Those who use the roads would pay for them. And from reliable estimates, it would result in more roads faster.

[From the Binghamton (N. Y.) Press of January 27, 1955]

HIGHWAY PLAN STRONGLY OPPOSED

President Eisenhower's message on his 10-year \$101,000,000,000 highway program has been postponed until next week to permit completion of congressional action on the Formosa question. But even before formal presentation, the program faces strong opposition. Opponents call the proposal to issue non-Government bonds amortized by tax revenues "trick financing" and a devious device to evade the Federal statutory debt limit.

Leading the opposition will be Senator F. BYRD (Democrat, Virginia), chairman of the Senate Finance Committee, whose career has been one of constant striving to reduce Government waste and extravagance.

The President's expected program calls for "modernizing the key 40,000-mile national system of interstate highways." The Federal Government would continue for 10 years its regular aid to States, at the rate of \$600 million a year. The State and local governments would spend approximately \$70 million over the 10 years.

In addition to its regular contributions to State governments, the Federal Government would spend an additional \$25 billion on interstate highways. Some \$5 billion of this would come from licenses—filling stations, motels, restaurants and the like—on the rights-of-way. The remaining \$20 million would come from 30-year, 3 percent bonds issued by a Federal highway corporation.

These bonds would be guaranteed by the United States Treasury, but the debt represented would not be included in the public debt under obligations guaranteed by the Government. Annual payments would be met by appropriations by Congress out of "the revenues which the Federal Government will derive from the motor vehicle fuel and lubricating oil taxes projected at the present rates."

Senator BYRD charges that the bond plan would mean "operating the Government on two sets of books: one set for activities financed by borrowing outside the (public) debt and expenditures outside budgetary control, and the other set for activities financed by borrowing on the record and expenditures under budget control."

He charges also that the bond plan would "dry up gasoline tax revenue for 20 years, from 1966 to 1987," although these revenues would not be specifically earmarked for debt retirement by Congress. And he points out that the aggregated interest charges on the bonds would run to more than \$11,500,000,000, or 55 cents on the dollar.

As an alternative, Senator BYRD proposes that the present 2-cents per gallon Federal gasoline tax be reduced to one-half cent, enabling the States to impose higher taxes to take up the difference. Then, aside from continued regular Federal aid to the States on a matching basis, road construction would be a State responsibility. Says Senator BYRD:

"States would retain as much control over their roads as they have had in the past; \$11,500,000,000 interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions."

Senator BYRD's points become the more cogent with current proposals that the Tennessee Valley Authority and school facilities on a nationwide scale be financed with non-Government bonds given Government guar-

anties, but not counted in the public debt. Such financing would certainly open the door to limitless Government fiscal irresponsibility with ultimately disastrous consequences in inflation.

With inadequate highways, the Nation is caught in a costly and murderous traffic jam. But a solution more conservative than one that could end statutory control of public debt is required.

[From the Reno (Nev.) State Journal of January 21, 1955]

NEW BORROWING GIMMICK

By now people may be understandably confused concerning the new expenditures contemplated under the President's proposed 10-year highway program.

At one point the program is referred to as a \$101 billion undertaking. At another point it's called a \$50 billion project. Actually the confusion occurs because the contemplated new expenditures are lumped together with existing highway spending which would continue regardless of what happened to the President's plan.

As matters stand highway spending at all levels of government would total \$47 billion in the next 10 years without reference to the President's proposal. But the President's plan calls for an additional \$25 billion of federal spending in the next 10 years and an added \$29 billion of spending by the States, cities and counties.

The Federal Government's \$25 billion would be raised by bond issues to be retired by congressional appropriations. For book-keeping purposes the bonds would not be considered a part of the public debt and therefore they would not bump into the statutory debt limit. But regardless of definition they certainly would be a public obligation as long as their retirement depended on congressional appropriations, and that's why Senator BYRD is skeptical.

The committee which conceived this scheme refrains from recommendations as to how State and local governments should go about raising their \$9 billion. It is not clear whether the committee is being considerate of the States and cities or simply does not know what to propose.

The recourse open to the Federal Government in financial matters is not open at the lower levels of government. States, cities, and counties must deal in actual money raised by taxes. And this applies to the taxpayers who must pay the taxes. They cannot spend regardless of revenues as the Federal Government does and leave the rest to borrowing and inflation.

[From the Manchester (N. H.) Union-Leader of January 22, 1955]

AN UNSOUND EVASIVE PROGRAM

Senator BYRD, chairman of the Senate Finance Committee, has sized up President Eisenhower's multibillion road program exactly, when he labeled it as unsound, a defiance of budget control, and an evasion of the Federal debt law.

This proposal drafted by an advisory committee is expected to be transmitted to Congress by the President. It suggests using \$31 billion of Federal funds in a road program over a period of 10 years. Twenty-five billion would be employed to construct 40,000 miles of interstate highways. Of this amount, \$20 billion would be sold by a Federal corporation in 30-year, Government-guaranteed bonds at 3-percent interest. The other \$5 billion would be paid by fees, taxes on filling stations and motels, and by tolls. The remaining \$6 billion of the thirty-one would go as highway aid to the States.

Meanwhile, the States would be asked to shell out \$70 billion for the program—making a total of \$101 billion. And the whole thing would be kept outside the Federal debt limit.

Senator BYRD has revealed that unsoundness of this proposal:

(1) He points out that 30-year bonds would cost the taxpayer more than \$11½ billion. This would mean that every dollar borrowed eventually would cost \$1.55. Meanwhile there is no assurance that the bonds would be paid off as they came due, which would mean that they would cost still more.

(2) The proposal to exclude the bonds from the regular Government debt figure is an outright deception. This is a game the Eisenhower administration is promoting today—to split Federal finances into two parts. One part would cover receipts and payments of social security and other trust funds, and capital items like the construction costs of post offices and office buildings—all of which would be left out of the budget. Thus a doorway would be opened to pile endless outlays on the taxpayer without giving them formal recognition.

The budget today is a crushing burden. One-fifth of the national income goes into Federal taxes. Yet President Eisenhower would add to this burden by establishing a method of Federal spending outside the budget. This would still add to the load on the taxpayer by a system of double book-keeping. One set of books would be balanced, while the deficit was concealed in the other. The net result would be to wipe out the prospect of ever achieving a balanced budget. The Government has not paid off a single dollar on the Federal debt for 25 years and the Eisenhower administration now tries to invent a game of delusion whereby Federal extravagance can be multiplied. The whole affair surely is preposterous.

[From the Boston (Mass.) Evening Globe of January 28, 1955]

A BATTLE LOOMS

Echoes of one of the oldest conflicts of political opinion in the history of the United States are beginning to resound in Washington and throughout the country in the wake of President Eisenhower's proposed \$101 billion ten-year highway building proposals. Deep division of views about what, in the days of Jefferson and Hamilton, used to be called "internal improvements" has appeared once more.

The essence of that ancient quarrel is not in the least mysterious. On the one side stand those who would bar the Federal Government from any domestic activity which the States are presumably able to handle themselves. On the other are aligned those who insist that changed times require different approaches.

One of the oddities of this situation is that the project comes from an Administration strongly committed to taking the Federal Government out of State concerns. The President's program not only would boost spending \$54 billion above the sums which the Congress normally would appropriate for Federal help in roadbuilding during the coming decade. It also would call upon local and State agencies "to chip in" \$70 billion more.

According to the Congressional Quarterly, that would be 80 percent or \$39 billion more than the 48 States contemplate spending in line with their present highway construction plans during the next decade. Just where they would acquire this sum, the Federal plan does not say, though official Washington believes the States "would meet the challenge."

Another little-noted fact is that the plan envisages the building of not a single mile of new highways. Those who picture great new transcontinental roads emerging at the end of a decade of construction are in error. The plan entails only the reconstruction and widening of the existing network of primary, secondary, and rural roads and municipal links in trans-State arteries.

Critics suggest that this, to the politically mature, amounts to a wholesale invitation to local extravagance. The Federal plan also grants special consideration to States willing to expand the building of toll roads. The American Automobile Association sees in this a step toward rapid reduction of free highways in America. They suggest that there be a restudy of the history of toll roads in this country during the early 19th century, when similarly bright expectations collapsed.

Perhaps the stiffest criticism comes from "States righters," such as Senator HARRY F. BYRD, of Virginia, who says the President's program would "violate financing principles, defy budgetary control, and evade the Federal debt law." Senator BYRD insists that the proper way to speed modernization of our countrywide road system is for the Federal Government to get out of the gas-tax picture and let the States go ahead with the local tax margins thus returned to them.

There is a total of 3,366,190 miles of highways in the United States today. Over that system roll 56,279,864 registered cars of all types, carrying 89 percent of all farm products to market, 75 percent of all livestock, 90 percent of our milk supply, 94 percent of our vacationists and 63.5 percent of all workers going to their jobs.

Here assuredly is one of the half-dozen basic factors in America's day-to-day economy.

As an offset against depression, a "pump-priming public works plan," and as a planned easement of growing traffic problems, the administration's highway building project has plenty of supporters. The only certain fact about its prospects now is that it faces a fast and furious battle in the Congress.

UNCLE DUDLEY.

[From the Fitchburg (Mass.) Sentinel of January 18, 1955]

NEW HIGHWAY PROGRAM

Under the massive roadbuilding program proposed by President Eisenhower's Advisory Commission on Highways, some \$101 billion would be spent for modernization and expansion over a 10-year period by the Federal Government, States, and other levels of jurisdiction. Actually the committee recommends that the Federal Government take over virtually the complete obligation for the so-called interstate highway system (abolishing the 60-40 Federal-State matching requirement in this program) and that it be financed by methods which are thoroughly unsound.

In the first place, how can we assume what we will need in 10 years? It is possible that the automobile as we know it now will be all but obsolete. The railroad and the waterway once provided all long-distance travel, and the need for the hard-top road did not come into being until comparatively recent years with the advent and growth of the automotive industry. New modes of travel are supplemented by the airplane, and who knows to what great position of strength it will have arrived in a decade? Moreover, as we grow, population shifts, and the impact on specific roads changes, and therefore our road needs shift and change. There is no such thing as a permanent road because no one can predict years in advance what roads will carry the most traffic.

Aside from this consideration, there is the question of raising roadbuilding funds. The committee has suggested that a portion of the program be financed through a Federal corporation which, without either assets or income, would borrow \$20 billion from the public. The Treasury, under a contract with the corporation, would guarantee the corporation's bonds, but the debt would not be included in the record of obligations guaranteed by the United States. Annual appropriations to meet principal and interest payments would be requested, but the request could not be refused or reduced by

the subsequent Congresses, for 30 years, if the faith and credit of the Government were to be honored. If financial difficulty should develop at any time, the corporation with no further authorization could make mandatory calls upon the Treasury for amounts up to \$5 billion outstanding at any one time.

If the Federal Government can borrow money for roads in this manner, without regarding it as debt, and spend it without budgetary control, it may be expected that similar proposals will be made for financing endless projects. The Government would then be operating on 2 sets of books—1 for activities financed by borrowing outside the debt and expenditures outside budgetary control, and the other for activities financed by borrowing on the record and expenditures under budget control. But regardless of all attempts at camouflage or legerdemain, the obligations of the Federal Government and all its citizens still remain; the responsibility is still that of the taxpayer. And when the Government contracts a bona fide debt, but removes it from classification as public indebtedness, it creates fiscal confusion and disorder, and destroys confidence in Government credit.

Senator HARRY F. BYRD, of Virginia, rightly brands the plan as one that violates financing principles, defies budgetary control, and evades Federal debt law. Further he states: "Based on all recent Federal experience, I submit it is a violent assumption to predict these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years. Continuing increase in the Federal debt is in prospect for an indefinite period. And it is certain that the system will be thousands of miles greater than contemplated in the committee report." Senator BYRD says that he has a plan, to be disclosed in detail momentarily, that will avoid increasing the public debt and preserve the soundness of the Federal budgetary system.

Another objection to the committee's Federal road program: every Federal grant elevates the control of the Federal Government and subordinates the authority of the States. Under the proposed plan, a Federal agency will determine the location of the interstate road system, will fix the number and location of access roads, will fix fees for filling stations, motels and restaurants located along the rights-of-way, and will control construction standards. Time and time again the iron hand of the Federal bureaucracy has bent the States to its will because of Federal grants. And the unhealthy trend in this direction is evidenced by the fact that in 1934 the total of such grants was \$126 million for 18 grants-in-aid programs; now the total of Federal grants is \$3 billion for these programs.

The proposed highway program has served to set up a cry from other quarters for more Federal aid. For example, Dr. J. L. McCaskill, legislative director of the National Education Association, has asserted that President Eisenhower's highway-building program will discriminate against education unless similar help is provided for building schools. Pointing out that there is a 370,000-classroom shortage at the present time and that the NEA believes that \$1 billion in Federal money will be needed annually in the next 5 years to make up the deficit, Mr. McCaskill said that he fears some States will use money for highways that should go to the schools if Federal highway grants are expanded greatly without commensurate aid for school construction. After President Eisenhower submits his 10-year highway program to Congress January 27, he will send another message 17 days later dealing with school problems. He has not indicated whether his recommendations will include Federal aid for construction.

Federal aid, as we have emphasized many times, is a misnomer inasmuch as the Gov-

ernment has no money except that which is extracted from the taxpayer in one way or another. In the unbalanced budget for the 1956 fiscal year, expenditures will continue to outpace revenues even with the continuance of present taxes. And the budget estimates of tax receipts are based on expectations of an \$11,900,000,000 increase in personal income coupled with perhaps as much as a \$4 billion rise in corporate profits. This could be long-range planning with undue optimism.

[From the Quincy (Mass.) Patriot Ledger of January 18, 1955]

Senator HARRY BYRD, of Virginia, one of the most respected authorities on fiscal matters in the Senate and head of the influential Senate Finance Committee, calls the President's money raising proposal "thoroughly unsound."

Senator BYRD pressed for incorporation of the highway program in the regular Federal budget so we can see what we're getting. He also forecast that eventually the taxpayers would pay a total of 55 percent interest on the 35-year highway bonds.

Schools all across the Nation are in a deplorable condition—classrooms are overcrowded, there aren't enough teachers to go around and it looks as if things will continue to get worse unless a lot of new money is allocated to new school buildings and higher teacher's salaries.

The military budget has been trimmed drastically, and the President expects the total cost of the military budget to be about \$34 billion. And even this is only a hope since individual defense items actually add up to \$35½ billion. But Defense Secretary Wilson hopes to trim out the extra \$1.75 billion.

There are many in Congress who question the wisdom of these defense cuts, and believe the administration is sawing off its sword in the interests of economy.

Foreign aid would be about \$3.5 billion, of which about \$1.3 billion would be economic aid, the rest military. There was no designation of where this money is slated to go but Asia presumably would be in for a large share of it.

Many observers feel that this is not enough to save Asia from communism, and that we might some day regret penny pinching. Foreign Operations Administrator Stassen wants a Marshall plan for Asia, but he has been overruled by budget cutting Secretary of the Treasury Humphrey.

Despite this clamor, in some quarters, for higher spending there is the accompanying clamor, sometimes in the same quarters, for lower taxes. President Eisenhower disclosed that tax relief for fiscal 1955 amounted to \$7.5 billion but said that further relief this year was out.

Yet the national chamber of commerce has demanded lower taxes and meat-ax slashes in the Federal budget, and the Democrats are expected to press next year for a tax cut on individual income taxes.

It appears sometimes that nobody sees the contradiction between urging higher Government spending and demanding lower taxes.

What can be done?

For one thing, the Committee for Economic Development (CED) has urged some major changes in the way the Government frames the budget. It would have specific amounts in the budget allocated toward specific goals rather than to different departments, as is done now. It also has numerous other reforms designed to clarify the budget to make it easier to weigh programs against each other, and save money.

This seems to be a step in the right direction.

But there still exists the necessity for the American people to decide what specific

Government programs they want in preference to others, how much they want to spend and then to tax themselves accordingly.

We need new roads, we need new schools, we need continued investment capital, we need foreign aid and defense spending, we want a continuation of social services and veterans' aid—in short, we want practically everything.

But are we willing to pay for them? Or how much more do we want one than another?

Congress will make the decisions, but it will decide whatever it thinks the people want.

[From the Springfield (Mass.) Morning Union of January 26, 1955]

NATIONAL HIGHWAYS

A proposal has been submitted to the administration by a committee appointed for the purpose of financing a multibillion-dollar national highway system. The recommended provisions have been attacked by Senator HARRY F. BYRD, of Virginia, chairman of the Senate Finance Committee, as thoroughly unsound. Such criticism from a man of the stature of Senator BYRD deserves profound attention. One of the provisions of the report appearing especially obnoxious to him is that the bonds issued for the highway construction be not included in the regular Government debt figure, now approaching the new legal ceiling of \$281 billion.

The purpose of this proposed exclusion appears obvious and reminds one of the more flamboyant New Deal theories such as the statement by the late President Franklin D. Roosevelt decrying alarm over the skyrocketing public debt because "we owe it to ourselves." Pretending that the money is not owed by the expedient of keeping it off the official debt figures looks equally fallacious. As Senator BYRD says: "Count it as you will, as we spend more than our income we add to our debt. The least the Government can do, in fairness to taxpayers, is to keep books and accounts in a manner reflecting the true state of our fiscal affairs. When the Government contracts a bona fide debt, but arbitrarily removes it from classification as public indebtedness it creates fiscal confusion and disorder, and destroys confidence in Government credit."

The Senator declares such action would pave the way for endless outlays for building programs in education, hospitals, and public health, and would mean keeping two sets of books. "You cannot avoid financial responsibility by legerdemain," he says.

This program of high debt financing is scheduled to be submitted to Congress soon. It should be gone over with a fine-tooth comb, lest other undesirable provisions be contained in it.

[From the St. Joseph (Mich.) Herald-Press of January 20, 1955]

THOSE HIGHWAY BILLIONS

Most of us are as confused over the proposed 10-year highway program as we were in World War II when tire shortages and gasoline shortages were alternately assigned as the reason for A, B, and C stamps.

At one point the President's road program is referred to as a \$101 billion undertaking. In the next breath it becomes half that much.

The confusion arises because the contemplated new expenditures are lumped together with existing highway spending that would continue regardless of what happened to the President's plan.

As matters stand today, highway spending at all levels of government would total \$47 billion in the next 10 years without reference to the Presidential proposal.

Eisenhower suggests that the Federal Government chip in an additional \$25 billion, and that the State and local governments

add another \$29 billion. This proposal, added to the \$47 billion that would be spent normally, is the \$101 billion grand blueprint.

The Federal Government would create a corporation, float its \$25 billion in bonds and retire that debt by periodic appropriations from the Public Treasury. It is a book-keeping device to get around the statutory debt limits in the law books that already has drawn the fire of Senator HARRY BYRD of Virginia.

BYRD calls it a flim flam and even goes so far as to say that changing conditions make it impossible to spend very much into the future intelligently.

For what it may be worth it is interesting to note that toll roads play no outstanding role in the President's overall program. Washingtonian silence also covers the question of how the States and local governments could dig up \$29 billion.

So far the only definite item in the planning stage concern primary roads. The cost to salvage or revamp the secondary network would leave Senator BYRD and all of us completely speechless.

[From the Duluth (Minn.) News-Tribune of January 27, 1955]

NATION NEEDS ROADS, MUST PAY FOR THEM

American highways are about 10 years and 20 million vehicles behind the times. Publicity and controversy about modern toll roads keep some of us from seeing how many other kinds of toll roads we have. For a few you have to pay, in money, each time you use them. For thousands of road people pay in delays, frustration, excess wear on vehicles. From time to time there's a tragic special assessment, in the form of an accident which takes a life, or injures someone, or causes damage to property.

Our highway inadequacies are an ill-kept military secret. Any foreign spy who has the stamina to drive or ride in or near a large center of population can file a report exposing our vulnerability on this point.

Last summer President Eisenhower outlined a 10-year road development plan. Gen. Lucius D. Clay was appointed chairman of a special committee which reported earlier this month. The President is scheduled to submit his highway plan recommendations to Congress today.

We need roads. Those who use them must expect to pay for them. Starting from these simple, generally accepted facts, we might expect agreement to an expanded highway plan would be almost automatic. In sober fact, powerful opposition has made itself known—not to highways, but to some suggested methods of financing them.

The American Automobile Association fears that the Clay committee report might mire the road work down in politics of the pork barrel variety. Its spokesman agreed with part of the report, but attacks its toll road suggestions. He sees danger in Federal reimbursement of States for toll roads which become sections of the future interstate network. He cannot find that the Clay committee has said a word about making toll roads free at some future time. Without such a requirement, he says, the motorists become captives of the bondholders.

Senator BYRD, Democrat, of Virginia, chairman of the Senate Finance Committee, objects to a proposal to have a 30-year, 3 percent bonds issued by a Federal highway corporation. Bonds of that type, taxable like any others, but guaranteed by the Treasury, would not be included in the public debt. The Virginia Senator says this means two sets of books, and a repayment plan to absorb gasoline tax revenues for 20 years, from 1966 to 1987. Interest, over the years, would add up to 55 cents on the dollar.

As an alternative, Senator BYRD suggests that the Federal Government cut its gas tax demand from 2 cents a gallon to half a

cent, giving the States an opportunity to add the difference to their gasoline tax. Then, he argues, the States could push right ahead with highway construction.

Taxpayers in States which have no toll roads won't be ecstatic about financing such money extractors for other States, particularly on a tolls-forever basis. The BYRD objections emphasize something every installment shopper knows—that fewer and larger payments cut the total interest cost amazingly. But it's difficult to imagine 48 States or even 36 of them boosting their gasoline taxes and pouring all that money into a unified, coordinated highway plan.

The basic thought of a few years of intensified highway building, to meet national needs, is too valuable to lose in disputes over debt accounting, States' responsibilities or trick clauses in toll road charters. Congress shouldn't find it difficult to correct any road program to meet these objections.

[From the Red Wing (Minn.) Republican-Eagle of January 20, 1955]

HOCUS-POCUS BOOKKEEPING

People sit up and notice when Senator HARRY BYRD, of Virginia, takes issue with Government over financial matters. BYRD, who is a Democrat, made a name for himself during the 20 years of free-deal spending when he took his party and President to task time after time for questionable fiscal tactics. BYRD is one of those fellows who backs up his arguments with figures. And his figures, those who have questioned them have learned to their sorrow, will usually stand up under the most rigid examination.

Now Senator BYRD has attacked the money-raising formula proposed by President Eisenhower's highway committee for the so-called Interstate Highway System. He calls it thoroughly unsound. "Such procedures violate financing principles, defy budgetary control, and evade Federal debt law," he contends.

The Virginia Senator objects to the proposal for a Federal corporation which could issue \$20 billion in Government bonds. Congress would have to appropriate the money to pay the principal and interest. He bitterly attacked the methods to be followed by the Federal Government in assuming virtually the complete obligation for the highway system. He called them "unique and so far as I know thoroughly unsound." When Senator BYRD says a financial deal is thoroughly unsound, most people who know him and his ways are apt to be a bit alarmed. He isn't given to talking through his hat.

He objected particularly to a proposal that the highway corporation bonds not be included in the regular Government debt figure, which is already pressing against the legal debt ceiling. He said it would mean operating the Government on two sets of books. Spending more than our income means we are adding to the debt, BYRD pointed out. The least Government can do, in fairness to the taxpayers, is to keep books and accounts in a manner reflecting the true state of our fiscal affairs, he said.

Senator BYRD says there is no way by which Government can avoid financial responsibility, nor cover up obligations by hocus-pocus bookkeeping. The Federal Government and all its citizens will still be responsible for debt incurred by any method. Strange, isn't it, that so many otherwise sensible people seem to think there is some method of accounting that will dodge those responsibilities.

[From the Mexico (Mo.) Ledger of January 10, 1955]

THE DOLLAR THAT COSTS \$1.55

How would you like to pay \$1.55 for a dollar bill?

That is what Senator BYRD says you will pay if the President's highway committee has its way in financing new highways.

Here is the background:

Because highways pretty much throughout the Nation are failing to keep up with the number of cars, and the size and speed of modern cars, the President properly appointed a National Advisory Committee for a National Highway program.

This committee, headed by Gen. Lucius Clay, made two general recommendations:

1. That the Federal Government continue its present aid to highways at the current rate of \$623 million a year; and
2. During the next 10 years spend an additional \$25 billion—billion, that's right—for a so-called interstate highway system.

This means Federal costs of the 2 programs for 10 years would total \$31 billion.

For financing the interstate highway program, the committee recommended the Government peddle 30-year taxable bonds sold at 3 percent interest to cover \$20 billion of the cost and cover the remaining \$5 billion from fees charged filling stations, motels, and so forth, on the interstate highways.

Senator BYRD, who has played an outstanding role in our Government, watching Federal costs, points out that if the proposed 30-year bonds are paid off on schedule at 3 percent interest—as proposed—the interest cost would be \$11.5 billion. "At this rate," he says, "every dollar borrowed would cost taxpayers \$1.55."

The Senator adds, "Based on recent Federal experience, I submit it is a violent assumption to predict that these bonds will be paid off at maturity. In effect, we have not paid off a single dollar of Federal debt in 25 years. Continuing increase of the Federal debt is in prospect for an indefinite period."

The Senator then adds that an even better way to build better and needed highways is possible. He recommends that the Federal gasoline tax (2c) be repealed so that the States can reimpose it; continue Federal aid to primary, secondary and urban roads; continue the lubricating oil tax, and impose a one-half cent per gallon Federal tax on gasoline.

The Senator, in his statement, closes by saying he will supply still more detailed figures soon on what such a financing program could accomplish.

Certainly, all of us agree that still more adequate, safe and sensible highways are needed. Certainly, most of us in Missouri are proud of our own State's nonpolitical Highway Department and its 10-year program of highway and road modernization. And, certainly, all of us will await with interest further details on Senator BYRD's plan.

Dollars are the key to any road program, and any program costing \$1.55 for the \$1 spent is drastic, to say the least.

[From the Grand Island (Nebr.) Independent of January 21, 1955]

UNCLE SAM IN THE RED

There was nothing by way of surprise or shock in the budget submitted to Congress by President Eisenhower. Spending requirements, including those for national security which claim 65 cents of every dollar paid in by the American taxpayer, will again entail a deficit estimated by the President as less than that experienced in the current fiscal year, but still a deficit and still an unbalanced budget.

Mr. Eisenhower is experiencing the same difficulties in achieving a balanced budget that confronted his predecessor. He is discovering that it is one thing to talk about reducing taxes and balancing the budget, and something else entirely different to accomplish these objectives.

The demands continue. The requirements for purposes other than that of national security are not too burdensome. They, in fact, have taken a beating particularly in

recent years because of the promises made to balance the budget and to reduce taxes; promises which filled the air in 1952.

This administration no longer can nor should fall back on the excuse that commitments made by previous administrations make it impossible to carry out its pledges. This administration now is on its own. We can anticipate, however, that the failure to achieve a balanced budget in the last year of the Eisenhower administration, and the impossibility of providing another tax cut may collide seriously with Mr. Eisenhower's international program. The pressure to terminate foreign aid is certain to mount. In Congress the cry arises that we have spent \$40 billion to enable our friends in other sections of the world to regain their feet and to ride out the storm, and the time now has come to stop. That could prove the dominant note in discussion of any foreign-aid program.

In one other respect the President has placed himself in a difficult position to which Senator HARRY BYRD of Virginia directed attention at week's end. The Virginian is opposed to the President's massive superhighway program. It contemplates the borrowing of billions by Uncle Sam to finance this network of superhighways, billions which shall not be computed as a part of the national debt. That is a strange line of reasoning which the Clay Commission has adopted. Senator BYRD's position makes sense. If that type of financing is to be adopted in connection with highway construction, then limitations by way of a ceiling on the national debt lose all significance.

We doubt that the public will become excited over the prospects of another year of an unbalanced budget and deficit spending. If recent years mean anything, the public will take it in stride.

[From the Omaha (Nebr.) Evening World-Herald of January 20, 1955]

THE CLAY HIGHWAY NETWORK; A PLAN OUT OF WONDERLAND

Concerning the Clay committee's proposals for a superhighway network to cover America, Virginia's Senator HARRY F. BYRD recently said:

"They violate financing principles, defy budgetary control, and evade Federal debt law."

Today on this page Columnist Raymond Moley, the one-time New Dealer and long-time professor of public law at Columbia University, joins Senator BYRD in denouncing the scheme. We think the Moley piece should be required reading in Congress.

So far as the roads are concerned, the report of General Clay's committee presents a beautiful dream. Certainly everyone who drives could wish that such roads were in existence, or soon would be.

But the financing plan proposed in the report comes straight out of Wonderland.

The general idea is that a "Government corporation" would be formed, and would issue \$2 billion worth of bonds each year for 10 years. These bonds would run for 30 years and, according to the estimate, would require payment of \$11,500,000,000 in interest.

This "corporation" would have no money-making assets whatever.

It would be able to pay interest on the bonds, and retire them, only when, and if it received the money from the United States Treasury. Thus the highway debt would in fact be indistinguishable from the rest of what the Government in Washington owes. But because of the "corporation" gimmick, this spending would not be included in the budget, nor would the \$20 billion worth of bonds be included under the ceiling which Congress places on the national debt.

In other words, it's a scheme to farm out part of the Government's annual spending so it won't show on the books.

If it works in this case, Senator BYRD predicts it will be no time at all until similar systems of bogus bookkeeping are worked out to disguise deficit spending for "education, hospitals, public health, etc." That would seem to be a not unreasonable conclusion.

Mr. Moley recalls that similar tricky methods of financing were discussed in the Franklin Roosevelt administration, of which he was a member, but were abandoned because FDR "never quite summoned the audacity to propose them."

The scheme that was too hot for the New Deal is now proposed by an agency of the Eisenhower Administration—which took office only 2 short years ago on a balance-the-budget platform.

It should be borne in mind that this highway problem is not a 1-year crisis and will not be solved once and for all by the Clay plan or any other.

With 7 million cars or thereabouts pouring out of Detroit every year, and with the heavyweight trucks seemingly getting bigger and more numerous every year, America will never finish building highways.

If the Clay plan were adopted now, it would have to be followed 10 years hence by another plan to carry on from there. The net effect of Clay financing would be simply to transfer the cost of today's roads to the shoulders of some future generation—with interest charges added.

This newspaper yields to none in its admiration for good roads. If the network outlined in the Clay report can be built out of current tax revenues, with a balanced budget, we think it will be a grand thing for America.

But to pretend that highways can be built as a capital investment, and paid for on a "revenue bond" basis without charging tolls, is thoroughly dishonest. We hope President Eisenhower will categorically reject that plan when he presents his highway message to Congress next week.

THE PRESIDING OFFICER (Mr. THURMOND in the chair). Is there further morning business? If not, morning business is closed.

TAX RATE EXTENSION ACT OF 1955

Mr. GORE. Mr. President, I move that the Senate proceed to the consideration of House bill 4259.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4259) to provide a 1-year extension of existing corporate normal-tax rate and of certain existing excise-tax rates, and to provide a \$20 credit against the individual income tax for each personal exemption.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. GORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I wish to speak on H. R. 4259, a bill providing for a 1-year extension of the corporate normal tax rate and of certain excise tax rates. This bill was amended by the Senate Finance Committee by a vote of 9 to 6 to delete a \$20 credit against individual income tax for each personal exemption.

The enactment of this legislation at this time in the form as modified by the committee is made necessary by reason of the state of the budget submitted by the President in January. Under the terms of this budget the Government is

faced with a deficit of \$4,504,000,000 for the fiscal year 1955 and \$2,408,000,000 for the fiscal year 1956. The \$2.4 billion deficit estimate for fiscal year 1956 was extremely conservative and based on arbitrary reductions in summary figures which may not be accomplished. The expenditure detail in the budget document adds to a deficit of \$4.1 billion on the basis of present tax rates.

I ask unanimous consent to have printed at this point two tables taken from the report of the committee on the bill now under consideration.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—Comparison of effect of House and Finance Committee bills on receipts

(In millions of dollars)

	In the fiscal year—			On a full year's basis	
	Both bills	1956		Committee bill	House bill
		Committee bill	House bill		
Individual income tax \$20 credit (House bill only).....	0	0	-815	0	-2,093
Extension of 5 percentage points of corporation normal tax.....	0	1,075	1,075	1,750	1,750
Extension of certain excise taxes.....	191	889	889	1,080	1,080
Total.....	191	1,904	1,149	2,830	737

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE 2.—Effect of the Finance Committee bill on the 1955 and 1956 budgets

(In billions of dollars)

	Fiscal year—	
	1955	1956
Expenditures, including proposed legislation.....	63.5	62.4
Receipts, existing law only.....	58.8	57.7
Difference.....	-4.7	-4.7
Effect of extending corporate and excise tax rates as in committee bill: Increase in tax collection.....	+2	+2.0
Postponement of floor-stock refunds.....	0	+2.2
Budget deficit under existing law, adjusted for extension of rates.....	-4.5	-2.5

¹ The budget estimate of the effect on revenue in the fiscal year 1956 of extending the corporate and excise tax rates is \$100 million above the joint committee staff estimate. Using the budget figures would decrease the deficit shown by \$100 million.

² These floor-stock refunds, without the extensions, might affect the 1955 instead of the 1956 budget. They, however, are shown as reported in the President's budget.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. BYRD. Mr. President, the first of these tables shows the effect of H. R. 4259 on receipts in the fiscal years 1955 and 1956 and in a full year of operation. This is shown for the bill as it passed the House and as the committee proposes to amend it. The second table shows the effect of the bill, as the committee proposes to amend it, on the 1955 and 1956 budgets.

The deficits of \$4,504 million and \$2,400 million take into account a further 1-year extension of the present corporate rate of 52 percent and a continuation for 1 year of the present rate of excise taxes on automobiles, trucks,

auto parts, gasoline, Diesel and motor fuel, cigarettes, wines, beer, and liquor. If we do not extend these taxes at the present time, the estimated deficit for 1956, based on staff estimates of receipts, would be increased from \$4.5 billion to

\$4.7 billion for 1955 and from \$2.5 billion to \$4.7 billion for 1956. This 1956 deficit might go as high as \$6.4 billion if these corporate and excise taxes are not continued and if contingent reductions are not realized.

Mr. President, I am greatly disappointed that the present administration has not presented a balanced budget for the fiscal year 1956. On the other hand, it would be very unfortunate if any steps we take here would reverse the trend toward a balanced budget and provide for 1956 an estimated deficit slightly larger than is now expected for 1955. In a full year of operation these reductions, if allowed to take effect on April 1, 1955, would result in a loss of revenue of nearly \$3 billion. The committee bill prevents the loss of this revenue by extending the corporate and excise rate increases for an additional year, namely, from April 1, 1955, to April 1, 1956.

The corporate income-tax rate without the 1-year extension provided by this bill would decrease as of this April 1 from 52 percent to 47 percent. The decrease would occur entirely in the normal tax rate, which would go down from 30 percent to 25 percent. This is the rate which applies to all corporate taxable income. The 22-percent surtax rate, which would remain unchanged, applies to income in excess of \$25,000.

The excise-tax rates involved in the extension are shown in a table which I now ask unanimous consent to have inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Excise tax rates extended until Apr. 1, 1956¹ under both the House committee bills

	Unit of tax	Rate extended for period from Apr. 1, 1955, to Mar. 31, 1956	Rate to become effective Apr. 1, 1956 ¹	Effect on revenue		
				Fiscal 1955	Fiscal 1956	Full year of operation
Liquor taxes:				Millions	Millions	Millions
Distilled spirits.....	Per proof gallon.....	\$10.50.....	\$9.....	\$38	\$89	\$127
Beer.....	Per barrel.....	\$9.....	\$8.....	21	64	85
Wine:						
Still wine:						
Containing less than 14 percent alcohol.....	Per wine gallon.....	17 cents.....	15 cents.....			
Containing 14 to 21 percent alcohol.....	do.....	67 cents.....	60 cents.....			
Containing 21 to 24 percent alcohol.....	do.....	\$2.25.....	\$2.....			
Containing more than 24 percent alcohol.....	do.....	\$10.50.....	\$9.....			
Sparkling wines, liqueurs, cordials, etc.:						
Champagne or sparkling wine.....	do.....	\$3.40.....	\$3.....			
Liqueurs, cordials, etc.:	do.....	\$1.92.....	\$1.60.....			
Artificially carbonated wines.....	do.....	\$2.40.....	\$2.....			
Tobacco taxes: Cigarettes.....	Per 1,000.....	\$4.....	\$3.50.....	46	139	185
Manufacturers' excises:						
Gasoline.....	Per gallon.....	2 cents.....	1½ cents.....	31	219	250
Passenger cars and motor cycles.....	Manufacturer's sale price.....	10 percent.....	7 percent.....	37	263	300
Trucks, buses, truck trailers.....	do.....	8 percent.....	5 percent.....	7	53	60
Auto parts and accessories.....	do.....	do.....	do.....	7	49	56
Retailers' excises; diesel and special motor fuel.....	Per gallon.....	2 cents.....	1½ cents.....	1	6	7
Total excises.....				191	889	1,080

¹ These rates were increased by the Revenue Act of 1951 and the increases were scheduled to terminate on Apr. 1, 1954. The Excise Tax Reduction Act of 1954 extended these rate increases to Apr. 1, 1955.

Source: Prepared by the staff of the Joint Committee on Internal Revenue Taxation.

Mr. BYRD. Mr. President, the committee bill follows the House bill in providing for the extension of the corporate

and excise rates. However, the House bill went a step further and provided for a \$20 credit against the individual in-

come tax for each personal exemption, effective January 1, 1956. This House provision, while having no effect upon the budget for the fiscal year 1955, would increase the deficit in the President's budget for the fiscal year 1956 by \$815 million, and in a full year of operation would cause a loss in revenue of \$2,093,000,000 under our staff estimates, and \$2,300,000,000 under Treasury estimates. As much as I would like to see a tax reduction at this time, the present budgetary situation will not justify it.

I know the impossibility of running any business where the expenses are greater, over a long period, than the income. I believe that governments are much like people in this respect. The Government must make every effort to keep its books in balance and meet its obligations as they fall due.

In spite of any contention to the contrary, these are prosperous times. Our gross national product in 1954 was the second highest in our history. The worst that anyone has been able to say is that it was not as high in 1954 as in 1953. Yet even this understates our true prosperity because the trend is upward.

As I have already suggested, our gross national product was up from \$355.5 billion in the third quarter of 1954 to \$362 billion in the fourth quarter of 1954, an increase of \$6½ billion.

Personal consumption expenditures reached a new high of \$234 billion for 1954, as contrasted to only \$230 billion in 1953, the year which was supposed to represent the peak of our prosperity. The consumption figure of \$234 billion should be of interest to those who have been suggesting that we especially need an increase in consumption expenditures. Moreover, the trend of these expenditures is upward. They have increased steadily from an annual level of about \$230 billion in the fourth quarter of 1954.

Gross private investment, next to personal consumption expenditures, is one of the more important segments of our gross national product. As would be expected, these expenditures reached a peak in 1951 as a result of the Korean war. Since that time they have been tapering off. However, it is important to note that late in 1954 this trend appeared to be reversed. These expenditures in the fourth quarter, on an annual basis and seasonally adjusted, increased by over \$4 billion.

Production also has been increasing, and here, where we have some evidence of conditions in January of 1955, the trend is still upward. The Federal Reserve Board Index of industrial production has shown constant improvement since this last August. At that time it stood at 123. By January of this year it had risen to 131.

While overall price stability has been attained in the past 2 years, it is necessary to be alert to the danger of further inflation. The brevity and mildness of the 1954 adjustment and the vigor of the recent recovery suggest the power of the underlying forces of economic expansion. The possibility of inflation is particularly dangerous in times of unbal-

anced budgets and especially when tax reductions are made in periods of deficit financing without accompanying reductions in Government expenditures. I believe the inflationary effect of deficit financing is strikingly illustrated by a comparison of the effect of the Federal deficits in the recent past with the shrinking purchasing power of the dollar.

Mr. President, I have had compiled from official figures from the Library of Congress a table showing deficit spending by years since 1940. The table also shows the fall in the purchasing power of the dollar from 1940 through 1954. I ask unanimous consent to have that table reprinted in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Purchasing power of the dollar as measured by index 1935-39=100	Fiscal year deficits (-) or surpluses (+) in billions
1940	99.8	-\$3.6
1941	95.1	-5.1
1942	85.8	-19.6
1943	80.8	-55.8
1944	79.6	-49.6
1945	77.8	-53.9
1946	71.7	-22.0
1947	62.7	+7
1948	58.2	+8.4
1949	58.8	-1.8
1950	58.2	-3.1
1951	53.9	+3.5
1952	52.7	-4.0
1953	52.3	-9.4
1954	52.1	-3.1

Mr. BYRD. Mr. President, the table shows that the purchasing power of the American dollar fell 10 cents in the 1 year from 1941 to 1942. In that year there was deficit spending of \$19 billion. In the 1 year from 1945 to 1946 the purchasing power of the American dollar went down 6 cents. In that year there was deficit spending of \$53 billion. The figures in the table are comparative figures, and show the decrease in the purchasing power of the dollar in each year as compared with the deficit spending in that year.

The table shows that, beginning with 100-cent dollars in 1939, the purchasing power of the dollar dropped to 52 cents in 1954. During the same period our cumulative deficit was \$218 billion. These deficits were a principal reason for the decline in the purchasing power of the dollar by nearly 50 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the public debt for selected years from 1915 to 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public debt of the United States, for selected years, from 1915 to 1956
[In millions of dollars]

1915	1,191
1920	24,299
1925	20,516
1930	16,185
1935	28,701
1940	42,968
1943	136,696
1945	258,682

Public debt of the United States, for selected years, from 1915 to 1956—Continued

[In millions of dollars]

1946	269,422
1948	252,292
1950	257,357
1952	259,105
1954	271,260
1955 (estimated)	274,300
1956 (estimated)	276,000

¹ Reflects extensions of corporate and excise rates but not \$20 tax-cut proposal.

Source: The Federal Budget in Brief, fiscal year 1956, Executive Office of the President, Bureau of the Budget.

Mr. BYRD. Mr. President, I point out that in 1915 we had a debt of \$1,191,000,000. From that point we have gone to a debt of nearly \$280 billion. Under the law, the debt is required to be reduced to \$276 billion by June 30 of this year.

I do not contend that deficits are the only cause of inflation; nor do I mean to imply that we will necessarily be faced with strong inflationary pressures next year. However, the Nation is now enjoying a sound and expanding prosperity. Its rapid recovery in 1954 indicates its resilience. In such a situation an unsound or premature tax cut, irrespective of the amount of the cut, may be the factor that tips the scales toward inflation. With the budget already showing a sizable deficit, no one can be sure which additional billion may be the straw that breaks the camel's back.

The harmful effects of an unwise tax cut would arise not only from its direct but also from its indirect repercussions. This \$20 tax-cut proposal is dangerous, not only because of the dollar loss in revenue involved but also because it would be a symbol of a reversal of the effort to cut deficits and work toward a balanced budget.

Mr. President, I have never thought, as my record will show, that we should borrow money in order to reduce taxes. I think that is fiscal folly of the first magnitude. It would be a symbol that we had abandoned the principles of sound finance, and would be accepted by the country as evidence of a drift into slackness in our financial affairs.

No one today can predict with any certainty what the status of the economy or the revenue needs will be 1 year from now. If we put a tax-reduction requirement on the books now, we will be committing ourselves almost a year in advance to a reduction in revenue, and subsequent events may show that the Government cannot afford this. If next year we had to reverse the stand that some would have us take today, it would undoubtedly be contended commitments had been made on the basis of the legislation passed this year. Then we would be in a position of taking away the tax relief we grant, should we adopt the House proposal.

The proposed \$20 tax reduction would amount to 38 cents a week for each individual exemption claimed for income-tax purposes.

For such an income tax reduction advocates of the proposal would increase annual Federal deficits, on a full year basis, by approximately \$2¼ billion, add the same amount to the Federal debt,

and increase the requirement for taxes to pay interest on the debt increase at the rate of 2½ percent compounded annually.

The interest on the Federal debt is already costing \$6.4 billion. This is more than 10 percent of total Federal expenditures; it is approximately 11 percent of all the revenue collected, and it is 130 percent of the estimated deficit.

We have been on a deficit financing basis for 23 of the past 26 years. In these 23 years we have spent more than \$900 billion—nearly a trillion dollars; we have collected in taxes and other receipts about \$675 billion; we have added approximately a quarter of a trillion dollars in the Federal debt.

The present administration, in its third year has failed to balance the budget, just as the two preceding administrations spent more than they collected. And the end of deficits is not yet in sight.

We of this generation are trustees for the future. Personally I am disturbed by repeated efforts to use this trusteeship temporarily to gain for ourselves a few cents a week in a time of relatively high prosperity at tremendous expense to future generations for whom we cannot assure continuing high prosperity.

There is no doubt about the fact that taxes are too high. They should be reduced. But we cannot reduce taxes by deficit financing and remain solvent.

Legitimate and sound tax reduction can be accomplished only by reducing Federal expenditures. This can be done if there is the will to do it, and it can be done in sufficient amount without impairment of a single essential function of government.

As a Member of the Senate, and as a member of the Senate Finance Committee, I advocate responsible tax reduction. I am opposing all tax reductions unless they are made fiscally sound by sufficient reduction in expenditures.

Our taxes are burdensome, but we would merely increase the burden by borrowing money to reduce them.

Another tax reduction now with borrowed money, such as was made last year, is simply higher taxes deferred.

Sooner or later, one way or another, the American people must pay the colossal debt we are incurring. New tax reduction debt makes it even more colossal.

We are mortgaged to the hilt. We have a direct Federal debt of \$280 billion. In addition to this we have a contingent debt of another \$250 billion.

The \$280 billion direct debt is equivalent to the full value of all the land, all the buildings, all the mines, all the machinery, all the livestock—everything of tangible value—in the United States.

It should be the considered judgment of everyone of us that the Federal debt should not be increased except for extreme national emergency. To increase the Federal debt by the sum of \$2,250,000,000 a year for a 38-cent-a-week tax reduction just does not make sense.

This Nation has been through many wars, and after each of them, except World War II, we have discharged at least part of the debt incurred for our defense.

But after World War II we have continued to borrow and add to the Federal debt. Now, 10 years after the conclusion of World War II, we are still borrowing.

We should never be misled by academic stargazers who contend that public debt is unimportant when we owe it to ourselves. I do not know of any owners of Government bonds who do not expect the Government to pay off on them when the maturity date arrives.

Public debt is not like private debt.

When individuals default on private debt they are foreclosed and their assets are liquidated.

When public debt is not paid off in taxes, liquidation takes the form of disastrous inflation or national repudiation. Our form of government cannot survive either.

The continuing toboggan of the purchasing power of our dollar which, through the year just ended, has dropped more than 25 percent since the end of World War II, demonstrates our progress along this primrose path.

We may regard these facts and figures lightly if we choose, but the loss of half the purchasing power of our money in 24 years, and 25 percent of it in the last 10 years, should be a serious warning to any nation.

The United States Government now represents the greatest fiscal operation in the history of the world. The management of our national financing should be a sobering responsibility. It is vital to the security of every individual in the United States, and the collective security of the free world. I sincerely hope it will never be exploited for political advantage.

We must act and act promptly on the bill before us, as the Finance Committee has reported it, to prevent the Government from losing over \$1 billion in revenue from the termination of the existing excise rates as of the first of this April, and another \$2 billion from the termination of the 5 percent corporation income tax. We must act now to prevent an increase in the national deficit and a corresponding increase in the national debt.

I believe my position with respect to the present budget deficits is well known. I have been deeply disappointed that we have been unable to make better headway toward a balanced budget. I can say, however, that in my opinion the estimated reduction in budget deficits is a step in the right direction. Approval of the House individual income tax reduction, however, would reverse this trend. If we cannot now move toward a balanced budget and achieve it in the near future, when we are at peace, when there is no war, and when we are at or near the highest income levels in our history, what prospect have we of ever balancing it?

In times like these, an increase in the debt as a result of a tax reduction, such as the proposed \$20 tax cut, is an admission of failure. It is an acceptance of perpetual deficit financing, and an admission that we are on the road to a larger and larger debt, the burden of

which will be on our children and our children's children.

I hope the Senate will pass the bill reported by the Committee on Finance, which has deleted the \$20-per-taxpayer cut adopted by the House of Representatives. Reporting the bill as amended by the committee was approved unanimously with certain Members reserving their right to offer amendments or to change their positions. The House \$20-reduction amendment was rejected by the Committee on Finance by a vote of 9 to 6.

I hope the action taken by the Senate Committee on Finance will be approved by the Senate.

Mr. President, at the conclusion of my remarks, I ask unanimous consent to have printed in the RECORD a letter dated March 9, 1955, addressed to me by Under Secretary of the Treasury M. B. Folsom. The letter states that if the excise taxes are permitted to expire on March 31, there will be a loss of \$191 million in revenue from floor stocks, because the law now provides that all revenue from floor stocks shall be refunded in case the tax shall expire. Let me emphasize that the \$191 million could not be recovered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF THE TREASURY,
Washington, March 9, 1955.
HON. HARRY F. BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: In accordance with our telephone conversation yesterday, I am giving you the figures on the revenue loss from floor stock refunds which would occur if the excise-tax rates are not extended by March 31. These are our estimates of the amounts involved:

	Hundreds of millions of dollars
Alcohol	132
Tobacco	19
Automobile, trucks, and parts.....	39
Gasoline	1
Total	191

Refunds on floor stocks will be due even if the rate reductions are effective only momentarily.

Also, on the basis of average collections, calculated on a 5-day business week, there would be an estimated daily loss of revenue of \$4,007,000 for each day the lower rates are in effect. The detail of this loss is:

Alcohol	\$823,000
Tobacco	702,000
Gasoline	922,000
Automobile, trucks, and parts.....	1,536,000
Diesel fuel.....	24,000
Total	4,007,000

A temporary reduction of rates would probably involve daily losses several times greater than the foregoing average figures, except in the case of gasoline and diesel fuel where storage problems are serious. Prospective buyers of the other products would doubtless concentrate their purchases in a brief period when rates were low. This would not only increase the revenue loss, it would also lead to erratic and confusing fluctuations in sales and inventories.

These revenue losses would be permanent and irretrievable if the rates are not extended by March 31. I am advised that there would be constitutional problems involved in any effort to abrogate by subsequent legislation the floor stock refunds or

to apply the higher rates to interim sales, even if it were desired to do so.

With best personal wishes,

Very sincerely yours,

M. B. FOLSOM,

Under Secretary of the Treasury.

Mr. KNOWLAND. Mr. President, at a later time I intend to discuss the bill and also the so-called substitute which will be offered. However, I did not want this opportunity to pass without rising to commend the distinguished senior Senator from Virginia [Mr. BYRD], because I am sure it is well recognized not only in this Chamber but throughout the country, that he has, during the entire period of his service in the Senate, believed in a sound fiscal policy in the Nation's economy and in the Government's operations. The Senator from Virginia has favored the Government's being, as nearly as it was possible to be, on a pay-as-you-go basis, save and except when the Nation's life itself might be endangered in time of war or imminent threat of war. So I think the distinguished Senator has the respect of the Senate and of the country, and I commend him for his remarks today, which I believe to be sound.

The Committee on Finance has reported a bill which is now in the form as originally proposed by the administration, by continuing the corporate and excise tax levies which otherwise would expire on March 31. I think nothing should be done in the bill which would tend to complicate that simple proposition. I believe that the amendment to be proposed to the bill might very well jeopardize the measure from becoming law on April 1.

The Senator from Virginia has pointed out what the loss of revenue would be. I also wish to call to the attention of the Senate the unfortunate fact that, even with existing revenues, and if no new expenditures were made by Congress over and above the amount requested in the budget, the estimated deficiency from the loss of revenue would obviously increase the deficit.

In view of the fact that not a single regular appropriation bill for the coming fiscal year has been cleared by either the House or the Senate, it would seem to be the height of unwisdom to proceed at this time to reduce the revenue which would otherwise go into the Federal Treasury.

There may be objection on the part of some persons to the tax reductions which took place in the last Congress. The difference, however, between the two situations—and I think the Senator from Virginia will bear me out—is that Congress and the administration had brought about a reduction in the cost of the operations of the Government by some \$10 billion, and had passed on to the taxpayers about \$7 billion of that amount. That was done at a time when there were dire predictions on the part of even some of our colleagues of a major recession or depression, which they believed was in the offing. Such a recession has not taken place. To the contrary, as the distinguished Senator from Virginia has pointed out, both 1953 and

1954 were years of the highest gross national product in our country's history.

If there was any such danger, perhaps adjustments in the tax laws last year, which were made under the circumstances I have stated, namely, that Congress and the administration had reduced expenditures and had provided a reduction in the tax levy, would be justified. That condition does not prevail as of now.

I shall have further remarks to make later on the subject, but I desired to pay my tribute to the distinguished Senator from Virginia, who is chairman of the Committee on Finance.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the views of the six Democratic members of the Senate Finance Committee on H. R. 4259.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

VIEWS OF SIX DEMOCRATIC MEMBERS OF THE SENATE FINANCE COMMITTEE ON H. R. 4259

INTRODUCTION

Those of us who are signing this report find ourselves in basic disagreement with the present national administration on a fundamental point of national policy—the distribution of the tax burden among our people.

The issue can be drawn clearly and briefly. The present administration believes that tax policy should be shaped in such a manner as to encourage vast accumulations of capital on the theory that if the top is prosperous, some share of the prosperity will trickle down to others.

In contrast, it is our belief that the national interest is best served by tax policies which insure individual Americans maximum possible purchasing power—the most potent force in shaping an America in which all our people will be prosperous.

The conflict between these two philosophies is the only point truly at issue in our effort to secure a tax reduction for individual taxpayers—wealth in the hands of a few; purchasing power in the hands of many. We take our stand on the side of increased purchasing power and an expanding economy.

BUDGET CONSIDERATIONS

It is true that the present administration has seen fit to interpret this issue in terms of balancing the budget. But it is difficult to consider such arguments seriously in light of the same administration's actions when it assumed the initiative in tax legislation in 1954.

Actions frequently speak louder than words. If that axiom is valid, it is apparent that the present administration considers a tax reduction fiscal irresponsibility only when it accrues to the benefit of low-income wage earners.

Early in 1954, the present administration forecast a 1955 fiscal year deficit of \$2.9 billion. This was clearly and unmistakably a deficit, differing from the deficit which now leads the administration to oppose a tax cut in only one respect—it was \$500 million greater.

And yet, the deficit forecast for fiscal 1955 did not prevent the administration from embracing a tax-reduction bill in which 77 percent of the immediate relief and 91 percent of the long-term relief went to corporations and large income earners.

It was not considered fiscal irresponsibility to deprive the Treasury of \$362 million in annual revenues by extending special benefits to those whose incomes are derived from dividends.

It was not considered fiscal irresponsibility to deprive the Treasury of one to two billion dollars a year in revenue for a period extending 18 years into the future by granting large corporations rapid depreciation benefits.

These provisions were not approved through mere inadvertence. They were enacted over the vigorous protests of the then minority which presented an alternative plan that would have granted the greater part of the tax relief to the lower-income brackets which stood in the greatest need.

On this basis, it is fair to assume that the present administration regards fiscal responsibility as that state of affairs in which the rich get richer and the poor are expected to balance the budget.

Despite this precedent, however, we have no intention of emulating the casual disregard toward the problem of budget balancing displayed by the present administration in 1954. We recognize that this is not merely an academic issue and we intend to deal with it responsibly and squarely.

There is nothing mutually exclusive about the two concepts which should be considered by responsible legislators—the need of our wage earners for tax relief and the need of our budget for balancing. Prudent consideration of the elements which go into each problem will lead to a solution for both.

To this end, we advance three points for the thoughtful consideration of our colleagues:

1. The stimulus to our economy and the resultant creation of revenue-producing wealth that will follow a tax reduction designed to increase purchasing power among individual Americans.

2. The need for a reexamination of the benefits that were granted to large-income earners and corporations in the 1954 tax bill under the theory that these benefits would grant a few individuals more money to invest in economic expansion.

3. The inadequacy of the administration's present (and only revenue-producing) proposal which would extend current excise taxes on such items as whiskey, champagne, cigarettes, and automobiles for only 12 additional months from April 1, 1955.

EFFECTS OF A TAX REDUCTION UPON THE ECONOMY

We are not wedded irrevocably to tax reduction in the form approved by the House of Representatives but we are in full accord with the spirit that motivated the House majority. We interpret the House action as a desire to do justice to those who were bypassed last year when tax relief was given chiefly to corporations and taxpayers in the upper income brackets.

However, justice, though a compelling motive, is not the sole basis of our case. It is our deep-seated conviction that a tax reduction granted to those in need of relief would have beneficial effects upon our economy, bolster the trends toward prosperity, and strengthen our Nation.

The evidence from every quarter indicates that such strengthening is needed.

We are not implying—directly or indirectly—that a tax reduction is necessary to ward off a depression. We know of no one who has forecast such a state of affairs. Neither do we intend to enter the arena of semantic debate over such phrases as "recession" or "rolling readjustment." Such phrases engender considerable heat but shed little light upon the problem before us.

But it takes neither a crystal ball nor profound economic analysis to determine that there are "soft spots" in our economy. These "soft spots" amount to unemployed workers and unemployed machinery.

The science of economics is far from exact. But one statement can be taken as a truism. It is that unemployed workers and unemployed machinery produce no wealth and

consequently no revenue either for the Government or for private individuals. It is equally a truism to state that both workers and machinery will remain unemployed unless there is a market for the goods which they jointly produce.

The numbers of the unemployed are far below the frightening levels of the 1929 depression. But this is cold comfort to the Kentucky miner or the Georgia textile worker or the Oklahoma farmer facing the problem of economic survival for himself and his family.

Furthermore, the unemployed worker represents a drag on the entire economy. In addition to his own problems, his jobless status restricts his participation in the consumer's market. He cannot buy and therefore others cannot sell. And when "others" cannot sell, they tend to dump new workers into the ranks of the unemployed.

We cannot agree with the attitude of the present administration which appears to be that the problem of unemployment is so insignificant it can be ignored.

The current trends are disturbing. Full-time unemployment in 1954 was double the level of 1953. Furthermore, 1954 witnessed a vast increase in "part-time" unemployment—a factor difficult to measure but as dangerous to the economy as permanent joblessness.

The statistics of recent months are not encouraging. The latest figures show that unemployment in January, 1955, was a quarter of a million greater than during the corresponding month of 1954. The experts hold forth no hope for a significant upsurge in employment during the next few months.

Aside from the human tragedy involved in unemployment, there is also the factor of waste. Within that factor can be found some of the elements that are now contributing toward an unbalanced budget. Employed workers have the purchasing power that maintains the business activity that balances a budget. Unemployed workers are the drain on our economy that slows business activity and helps to unbalance the budget.

The case was stated very well by the ranking minority member of the Senate Finance Committee in 1954 when he said on the floor of the Senate:

"How are we to balance the budget unless we have an economy that will enable the people of the Nation on a per capita basis to pay for the products of the mills and factories? * * * In this America, in this free economy, have we become so accustomed to luxury and extravagant spending and living that we cannot see the long arm of the tax gatherer as it descends into the breadbasket of the poor in this country?"

We are in full agreement with this attitude toward budget balancing. The budget cannot be balanced unless our people have the purchasing power to keep business activity at high levels. There can be no argument with the proposition that the best way of stimulating that purchasing power is to grant tax relief to the lower-income brackets—the people who are the most likely to translate their increased income into increased consumption.

We know of no direct method of measuring increased purchasing power in terms of Government revenues. Nevertheless, it cannot be denied that such an effect exists.

Furthermore, we do not intend to dispute contentions that reductions thus far proposed may possibly be inadequate to the problem. We do know that the proposals are a step in the right direction and we would rather walk in the right direction than stand still.

REEXAMINATION OF BENEFITS TO LARGE INCOME EARNERS AND CORPORATIONS

We do not intend to decry the value of incentives to investment in new facilities

at a time when demand has outstripped production. Nevertheless, we believe that there are a number of benefits granted to corporations and large income earners in the 1954 tax bill which could well bear reexamination.

At this point, we will consider only three, without foreclosing the right to examine others at any time.

Rapid depreciation: This was probably the most important concession to large business in the 1954 tax bill and yet it is doubtful whether the implications were fully appreciated at the time. According to the tax report of the House Ways and Means Committee, H. R. 8300, 83d Congress, 2d session, page B-13, it amounts to a net revenue loss of \$19.5 billion for an 18-year period, over what we would have lost had customary instead of accelerated depreciation been used. The loss is distributed as follows:

Fiscal year 1956: \$1.05 billion.

Fiscal year 1957: \$1.55 billion.

Fiscal year 1958: \$1.9 billion.

Fiscal year 1959: \$2.1 billion.

Fiscal year 1960: \$2.2 billion.

Fiscal year 1961: \$2.15 billion (from this point to the end of period the revenue loss declines).

We are implying no commitment on the principle of depreciation no matter how rapid. We recognize that all of this loss cannot be recovered completely without committing an act of bad faith—especially in the first 2 years. But if the choice must be between tax benefits for corporations and tax relief for individual citizens, the decision of the 1954 tax bill should, in our opinion, be reexamined.

Dividend credit and dividend exclusion: These provisions of the 1954 tax bill will cost the treasury \$362 million per year for an indefinite period. Again, we imply no final commitment on the principle involved but are constrained to note from the standpoint of public policy, there might well be a reexamination of the justice of granting benefits to those whose income comes from dividends while withholding relief from those in the low-wage bracket.

Reserves against future business expenses: Through inadvertence, section 462 of the Internal Revenue Code of 1954 permits the establishment of reserves against future business expenses and their immediate charge-off against current income. The repeal of this provision would save the Treasury at least \$1 billion this year.

INADEQUACY OF THE ADMINISTRATION'S CURRENT PROPOSAL

Despite the administration's professed anxiety over balancing the budget, it has only advanced one revenue measure to achieve that end. It is to extend the current rates on excise and corporate taxes an additional year beyond April 1, 1955 (next month), to bring in additional revenue of \$2.8 billion.

This seems to confront Congress with the alternatives of letting the taxes expire now or extending them in such a way as to renew the tax fight in an election year.

We are in agreement with extending the current rates. However, we do not think the proposal goes far enough. It is obvious that a simple extension in time will maintain Government revenues at higher levels and that there is no necessity to permit present rates to lapse on April 1, 1956.

To argue that this is legislating for the future would come with poor grace from those who so cheerfully welcomed rapid depreciation proposals extending forward for 18 years.

CONCLUSIONS

1. There is ample basis in justice and economics for an equitable tax adjustment at this time designed to help low-income earners and to stimulate our economy. At the very least, it would correct the injustice

that was done to individual citizens through the inequitable tax bill of 1954.

2. A tax reduction to those in low-income brackets would stimulate the economy and increase revenue-producing wealth. To that extent, it would tend toward—rather than away from—a balanced budget.

3. The tax bill of 1954 should be re-examined carefully to remove the inequities which favored corporations and large-income earners at the expense of low-wage earners.

4. Consideration should be given to extending the present corporate and excise rate to a date beyond April 1, 1956—the termination date for the administration's present proposal.

ROBERT S. KERR.
J. ALLEN FREAR, Jr.
RUSSELL B. LONG.
GEORGE A. SMATHERS.
LYNDON B. JOHNSON.
ALBEN W. BARKLEY.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that following the statement just presented there be printed in the RECORD two charts prepared by the same members of the committee.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

REVENUE EFFECT OF NEW PROPOSAL (IN TERMS OF FISCAL YEARS), WITHOUT CONSIDERATION OF ADDITIONAL EXTENSION OF EXCISE AND CORPORATE TAX RATES AND REPEAL OF EXPENSE RESERVE PROVISION

1. Repeal rapid depreciation provisions effective March 9, 1955:

Savings effected in fiscal year:		
1956	-----	\$175,000,000
1957	-----	900,000,000
1958	-----	1,450,000,000

2. Repeal dividend credit and exclusion provision effective July 1, 1955:

In millions of dollars,

	Liability	Receipts
Savings effected in fiscal year:		
1956	362	181
1957	362	362

3. Effective January 1, 1956, provide a \$20 tax credit for each taxpayer, with none for spouse, plus a \$10 credit for all dependents other than spouses, effective only to the extent that the credit exceeds any advantage obtained by income-splitting benefits.

[In millions of dollars]

	Liability	Receipts
Cost in fiscal year:		
1956	454	353
1957	908	908

4. Net fiscal effect of changes in:

[In millions of dollars]

	Liability	Receipts
Fiscal year—		
1956: Gross savings	537	356
Tax credit cost	454	353
Net savings	83	3
1957: Gross savings	1,262	1,262
Tax credit cost	908	908
Net savings	354	354

TAX PROPOSAL SPONSORED BY SIX DEMOCRATIC MEMBERS OF THE SENATE FINANCE COMMITTEE

1. A tax deduction effective January 1, 1956, of \$20 for each taxpayer (excluding spouse), plus a \$10 deduction for each de-

pendent other than spouse, to the extent only that the credit exceeds any advantage obtained by income-splitting benefits.

2. Repeal of the accelerated depreciation provision of the 1954 tax bill, effective March 9, 1955.

3. Repeal of the dividend credit and dividend exclusion provisions of the 1954 tax bill, effective July 1, 1955.

(The above provisions authorize a tax cut and more than offset the resultant revenue losses with revenue savings. The following provisions complete the overall proposal.)

4. An extension of current corporate and excise tax rates to July 1, 1957.

5. Repeal of the "error" in the 1954 tax bill which permits the establishment of reserves for future business expenses and their charge-off against current income.

Effect of the proposal on the Nation's budget picture to July 1, 1957

(In millions of dollars)

	Liability	Receipts
1. Tax deduction.....	\$ 1,362	1,261
2. Repeal of accelerated depreciation provisions.....	\$ 1,075	1,075
3. Repeal of dividend credit and exclusion.....	\$ 724	543
4. Corporate and excise rate extension (in addition to administration's current proposal).....	\$ 3,537	\$ 3,537
5. Repeal of "error" in 1954 tax bill (minimum estimate).....	\$ 1,000	1,000
Gross revenue savings.....	6,336	6,155
Less tax deduction.....	1,362	1,261
Net revenue savings.....	4,974	4,894

¹ Revenue loss.

² Revenue savings.

³ A actual receipt figure not yet available.

Mr. JOHNSON of Texas. Mr. President, I wish to make a very brief statement in explaining the charts. First, the proposal presented would repeal the depreciation provisions and the dividend credit and exclusion provisions of the act of 1954, and the repeal of those 2 provisions would result in a gain of \$1,618,000,000 for the Federal Treasury by July 1, 1957. With that \$1,618,000,000 gain, Mr. President, we propose to extend relief to the extent of \$20 for each taxpayer, excluding spouse, plus a \$10 deduction for each dependent. That would result in an expenditure of \$1,261,000,000 between now and July 1, 1957, leaving a net gain as a result of repealing the depreciation and dividend provisions of \$357 million for the Treasury.

In addition, Mr. President, we propose to offer an amendment to extend the corporation and excise taxes until July 1, 1957, and to repeal the error in the 1954 tax bill.

Before the day is over, I hope to send to the desk certain amendments, and ask that they lie on the table.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The first committee amendment will be stated.

The first amendment of the Committee on Finance was, on page 1, in line 3, after the word "the", to strike out "Revenue" and insert "Tax Rate Extension."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Allott	George	McNamara
Anderson	Goldwater	Millikin
Barkley	Gore	Morse
Barrett	Green	Mundt
Beall	Hayden	Murray
Bender	Hennings	Neely
Bennett	Hickenlooper	Neuberger
Bible	Hill	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Purcell
Butler	Ives	Robertson
Byrd	Jackson	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, N. J.
Chavez	Kilgore	Sparkman
Clements	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Langer	Thurmond
Daniel	Lehman	Thye
Dirksen	Long	Watkins
Douglas	Magnuson	Welker
Duff	Malone	Wiley
Dworschak	Mansfield	Williams
Ellender	Martin, Iowa	Young
Ervin	Martin, Pa.	
Frear	McCarthy	

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and five other members of the Senate Finance Committee, I am proposing certain amendments to H. R. 4259.

These amendments would repeal the accelerated depreciation and the dividend credit and exclusion provisions of the 1954 act. This would amount to a revenue gain of \$1,618 billion during the fiscal years 1956 and 1957.

The amendments would also provide a tax deduction of \$20 for every taxpayer—excluding spouse—and a \$10 deduction for each of his dependents. This tax deduction would cost the Treasury \$1,261 billion during the fiscal years 1956 and 1957.

Consequently, the revenue raising measures would pay for the tax cut, and at the end of fiscal 1957, there would be a \$357 million surplus to apply to budget balancing.

In addition to these provisions, the amendments would repeal section 462 of the Internal Revenue Code of 1954. This is the "error" which—unless corrected—will cost the Treasury somewhere in the neighborhood of one billion dollars this year.

We also intend to amend sections 2 and 3 of the bill to extend the corporate and excise rates to July 1, 1957. This would bring the Treasury additional revenue of \$3,537 billion over and above the administration's proposal.

I realize that there is a possibility that the administration will attempt to correct the error, and could possibly recommend the extension of the excise and corporate taxes. But I see no reason for not doing so now, particularly since it would remove the next decision on excise and corporate rates into 1957—a nonelection year.

Mr. President, I send the proposed amendments to the desk, and ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and will lie on the table.

Mr. KERR. Mr. President, I joined with five of my colleagues on the Democratic side of the Finance Committee in submitting minority views with respect to House bill 4259, which is now before the Senate.

The levying and collecting of taxes is one of the most important and far-reaching of the functions of government. It is an operation justified to the extent that the national welfare and the national security require it.

It was said in the early days of the Republic that the power to tax is the power to destroy. The long history of legislation in the Congress of the United States has demonstrated the accuracy of that statement. The power to tax, if used wisely, meets the requirements of government and builds the economy. If it is used unwisely, it creates discrimination and injustice, and produces harmful effects which are unjustified in the exercise of the necessary power and function of taxation.

There could be no better example of two philosophies of taxation than can be found in the bill now before the Senate.

In the minority views my colleagues and I are entirely in accord with extending the excise and corporate taxes as provided in the bill, at least for the period of time specified in the bill. However, we feel that the extension is inadequate and that, from the standpoint of constructive operation of governmental functions and responsibility, these taxes should be extended for a longer period of time.

There is not a member of the Committee on Finance who does not know that the budget of the Government in the next 2 fiscal years will need the amount of money to be raised by the extension of excise and corporate taxes, or the necessity will exist to find other means with which to replace such revenue.

We know that next year is an election year. We believe it would be wise at this time to eliminate the necessity of coming back next year with another proposal again to extend corporate and excise rates into the future beyond April 1956. Therefore we believe that that responsibility should be met today.

We were in accord with the spirit of the action taken by the House of Representatives in its bill in providing tax relief for the low-income groups. There was not complete agreement among us on whether the specific measure passed by the House was the one best calculated to do what we feel the Government is now in a position to do. However, we are not afraid to meet our responsibility in taking action which we believe is indicated and necessary and justified and equitable.

Accusations have been made in high places that the Democratic leadership in Congress does not have the courage to do certain things. The Democratic leadership and membership in Congress—and, thank God, many of the Republican Members of Congress also—have the courage this year, as they did last year, to face the responsibility of determining what is equitable as between the various groups of taxpayers in

our country. I submit it requires as much courage to do justice as between all the taxpayers as it does to decide what form the courageous act shall take, and when it will be performed.

Therefore, in view of the fact that there is before Congress a proposed extension of certain taxes, and in view of the further fact that now, in 1955, we have had an opportunity to study the operation of various sections of the 1954 act, we feel we should face our responsibility with courage and to do justice as between the various taxpayers of the Nation. So we bring to Congress suggestions which we believe will correct some of the inequities of the act of 1954, and do equity and justice in 1955.

Figures which have just been released by the Government indicate an increase in unemployment in February as compared to January, 1955. Figures from the same Government source disclose that there was nearly twice as much unemployment in 1954 as in 1953, and that there was a substantial increase in unemployment between January 1954 and January 1955. The same Government sources disclose that a considerable percentage of our total national industry and productive capacity is idle.

Thus we are confronted with these realistic facts: Between 5 and 10 percent of our labor force is unemployed. If my memory serves me correctly, nearly 10 percent of our productive capacity is idle.

Yet we still have on the statute books provisions in the act of 1954 which give a bonus and a premium to the building of more production facilities. We call it accelerated depreciation, or amortization.

Such a provision was included in a previous revenue act, which had for its purpose meeting the requirement of increased production during the war effort. Certainly there could be no serious objection to a law which provided an incentive on the part of industry to increase industrial productive capacity with respect to the equipment and material we needed during the war effort to the point where we could produce the goods our people needed and provide an adequate supply of such material and at the same time avoid excessive inflation. In fact, there would be a great deal of merit in such a law.

However, the needs of the people were met prior to 1954. Since a provision was included in the act of 1954 to provide a continuing premium and bonus for increased productive capacity, which was not needed, it can be interpreted only as the act of a Congress which wanted to give a premium to one group of taxpayers as opposed to other groups of taxpayers. The report of the Ways and Means Committee of the House last year disclosed that that provision in the Revenue Act of 1954 would reduce the revenue of the Government in excess of \$1 billion a year for 18 years. That means that that premium in the act of 1954 was given to those who claimed the benefits of accelerated depreciation.

The 1954 act provides a greater tax exemption than was contained in the revenue act which was in effect during the Korean war emergency. Under the

Revenue Act of 1954 a person building a racetrack gets accelerated depreciation by way of a tax exemption premium. At the same time, relief in the form of an additional exemption was denied to a laboring man, who may perhaps, have a half dozen dependents. The act of 1954 gives a premium for the installation of new equipment in a distillery.

If an individual owned a racetrack, Mr. President, under the Revenue Act of 1954 he could completely renovate and rebuild his track, recover most of his cost in the form of a tax bonus or exemption in a period of 5 or 6 years, and then sell the track as a capital asset and get back two-thirds of the money he had saved through the accelerated depreciation feature of the act of 1954.

If a man were in a business using automobiles, he could have bought a fleet of Cadillac cars and charged off 75 percent of their cost in 2 years, regardless of how little he used them, and then could have sold them and recouped most of the charge-off in tax-free funds he could keep.

Those are examples of some of the provisions of the tax bill passed by a Congress which refused to incorporate a further provision giving an additional exemption to a wage earner making \$5,000 a year, in spite of the fact that he may have had a wife and 5 or 6 children.

Another feature of the act of 1954 was the exemption from taxation of a certain percentage of dividend income. As finally passed by the Congress, the act excludes from taxation the first \$50 of dividend income. In addition, it exempts 4 percent of the taxpayer's dividend income from any taxation whatever.

Thus was enacted a law which cost the Government from \$360 million to \$375 million a year, and, by the same token, provided that much of a tax bonus to those whose income is derived from dividends.

But, Mr. President, was there any provision in the bill for the benefit of a wage earner with a wife and half a dozen children? Not a single dime.

We felt at that time that it was a grave injustice. We consider that the operation of the law has proved the degree of its injustice; in fact, Mr. President, as another year has come and gone and unemployment has not been eliminated, but has increased, as productive machinery has not been fully utilized, but is operating at a lesser rate, we feel not only that the injustice of that act becomes heavier and heavier, but that the argument made a year ago in favor of a substitute providing an increased personal and dependency exemption in lieu of a dividend exemption has been demonstrated and completely vindicated and reinforced in the passing months.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that the principle that unearned income, income from dividends, was to be taxed at a lower rate than income from effort, was not only new but was a complete reversal of previous principles of American tax-

ation? Is it not true that earlier in the operation of American income taxation the favors had been given to earned income, so that persons who earned their income by the sweat of their brows paid a lower rate of taxation than did those who received dividends and interest?

Mr. KERR. The Senator is eminently correct. The original principle gave a better and more favorable treatment to a taxpayer's earned income than it did to a taxpayer's investment income.

Mr. DOUGLAS. But by the previous Congress the opposite principle was established, so that a person receiving his income from dividends would pay a lower rate of taxation than he would if he received the same amount of income from effort.

Mr. KERR. The Senator is eminently correct in his statement of the principle.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. GORE. Is it not a fact that it also discriminates against the citizen who may invest in local development—development of his home community—and in favor of one who invests in the securities of corporations?

Mr. KERR. The Senator's illustration is valid and his conclusion is correct.

Mr. President, it is our purpose to offer a substitute or to amend the bill in order that relief may be given this year to the taxpayer in the low-income group in lieu of the relief now available in the form of accelerated depreciation and dividend exemption. We make this suggestion, Mr. President, with validity and responsibility. Statements have been made in high places that those favoring this kind of a program are guilty of cowardice and irresponsibility and they are accused of being silly. I shall explore the meaning of that word in a few moments. It has been a long time since I looked it up. If it means what I think it means, I am going to resent the manner in which it has been used.

Mr. President, I wish to talk about fiscal irresponsibility for a moment. Early in 1953 the distinguished Secretary of the Treasury came before the Congress and asked for an increase in the national debt limit from \$275 billion to \$290 billion. He was a man who spoke with authority in many ways. In the first place, he was the Secretary of the Treasury of the United States. In the second place, he was regarded as the strongest man in the President's Cabinet. In the third place, he was acclaimed to be one of the foremost and ablest industrialists and businessmen in the Nation.

Naturally, Mr. President, statements from that kind of source and authority had a good deal of significance. Mere United States Senators were timid in his presence and, with their limited experience and limited vision, were profoundly impressed by the weight of his pronouncement.

The Baltimore Sun of July 31, 1953, had this to say:

The Secretary said the administration had hoped to avoid asking for an increase of the debt limit, "but we are caught in a squeeze and cannot help ourselves."

He said:

If Congress does not raise the debt ceiling now, it will have to come back later in the year and do so.

That was in 1953.

He was asked:

But what if Congress refuses to increase the debt limit?

He answered:

If Congress refuses to raise the debt ceiling, we will just run out of money and we cannot pay our bills.

Then he made this significant statement:

If this country did not pay its bills, it would just cause a near panic.

Then he made another statement.

Said the senior Senator from Washington [Mr. MAGNUSON], and this is quoted from the record:

Secretary Humphrey, I wanted to ask one question: Suppose Congress leaves here without making any proposal to increase the debt limit. What will be your legal situation?

Said Secretary Humphrey:

I think I will leave when Congress does.

Congress did not increase the debt limit in 1953. Secretary Humphrey did not leave Washington when Congress left. The Treasury did not run out of money in that fiscal year. No near panic was created.

The only trouble that bedeviled our economy during that time resulted from two causes: The tight, hard money policy of the same Secretary of the Treasury, on the one hand, and the tragic, cruel operation of the Department of Agriculture by Ezra Taft Benson.

The distinguished Senator from Vermont [Mr. Aiken] asked on the floor a little while ago, How low can a human being get? He was talking about a Democrat.

I answer by saying that I do not know. Benson is still Secretary of Agriculture. I think we will know, before Benson gets out, how low a human being can get, in or out of his position.

Talk about damage to human beings. Certainly no one would damage the great President of the United States or any of his fine family. But I have just as much regard for the average farm family in Oklahoma as I have for the family in the White House.

No; the great exponent of fiscal responsibility, after saying that the stars would fall from the heavens and the world would be changed in its course if he did not get an increase of \$15 billion at that time, found out that he was able to get through that whole fiscal year without any increase in the national debt.

Congress had not any more than assembled last year when the Secretary of the Treasury again asked for an increase in the national debt. The debt limit had to be a minimum of \$285 billion, \$10 billion above what it had been; and in order to keep the Government from getting into a position where it could not pay its bills, it was necessary to have a permanent increase in the debt ceiling.

I wish to congratulate the distinguished senior Senator from Virginia

[Mr. BYRD], the chairman of the Committee on Finance. He was not impressed by the fiscal responsibility of the Secretary of the Treasury on those occasions. He took the position that others in the Government, besides the Secretary of the Treasury, might have some fiscal responsibility. I was proud of myself as a Senator as I saw the great Senator from Virginia vigorously disputing with the Secretary of the Treasury of the United States and making his pronouncement with just as much dignity as the one to which he had been listening and with much more authority in fact.

That is one reason why I was sorry to see him led off by the Secretary of the Treasury on another urging of fiscal irresponsibility. I say to my great friend from Virginia that the Secretary of the Treasury is in just as great error today, when he talks about this proposition being fiscal irresponsibility, as he was a year and a half ago and a year ago, when he was saying that if Congress did not do certain things it would be guilty of fiscal irresponsibility in connection with increasing the debt limit.

The distinguished occupant of the White House has made some statements about fiscal policy; and since he also has hurled a charge of fiscal irresponsibility, I think we are entitled to examine what he has said in that field of human endeavor.

The President told reporters on February 17, 1953, that he had planned no tax cuts until the budget was balanced. In a speech before the Department of Commerce Business Advisory Council on March 18, 1953, he reiterated his stand against cutting taxes until the budget was balanced. He said:

Unless we balance the budget, there will never be any lowering of taxes.

Those were the words of Dwight D. Eisenhower, President of the United States, on March 18, 1953.

Imagine my astonishment a few days ago when, as a member of the Committee on Finance, I listened to the distinguished Secretary of the Treasury make some statements along that line. In a statement to the committee, he said:

We have reduced the Federal taxes \$7¼ billion.

Yet his chief, speaking less than 2 years previously, had said:

Unless we balance the budget, there will never be any lowering of taxes.

I do not know which one of them was guilty of fiscal irresponsibility or inaccuracy; but I know this: The two statements are in direct conflict with each other.

What is fiscal responsibility? It is giving due regard to the requirements of responsibility and integrity. It is giving due regard to the obligation of the office one holds or the position one occupies.

Have we fulfilled our responsibilities to the people of the country when we have given substantial tax relief to a very few of the people of our Nation, while we have denied it to the general group of our citizens and taxpayers? Have we met our responsibilities in the offices we

occupy when we have provided tax relief in excess of a billion dollars a year for 18 years to those who are operating great corporations and large businesses, whether they be individual or corporate; in providing a tax bonus or premium or exemption for the building of new production facilities, regardless of whether they are needed in our economy or war effort, or are not; and then by denying relief to the 70-odd-million taxpayers, especially to that group whose income is under \$5,000 a year?

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield to the distinguished Senator from Tennessee.

Mr. GORE. The answer to the question asked by the able Senator from Oklahoma might well depend, it seems to me, upon the person who was providing the answer and his outlook upon his fellow man.

Mr. KERR. I appreciate the Senator's observation. I must say, though, that I would have to strain my imagination to believe that he felt other than that he was justified. I should still doubt whether he could substantiate his position.

Mr. GORE. Is the able Senator interpreting my statement—

Mr. KERR. I know the Senator from Tennessee said the answer would depend on the outlook or viewpoint of the one meeting his responsibility.

No, I aligned the Senator from Tennessee with myself, and I said what I did only because I thought he was being complimentary, unjustifiably, to those about whom we both were speaking.

Mr. GORE. The Senator interpreted the remarks of the junior Senator from Tennessee correctly. I would like to inquire further if in the opinion of the senior Senator from Oklahoma it is irresponsible to give as much as \$10 relief for each child of a worker, to whom the Senator has already referred, who may have several children and is receiving a low income, but it is very responsible when there is provided a tax write-off for the remodeling of a racetrack, and when it is made possible for a concern to buy a fleet of Cadillac automobiles, use them very little, keep them 2 years, and then recoup a major part of their cost. Is not that the height of fiscal responsibility?

Mr. KERR. I say to the Senator from Tennessee, in the same spirit of sarcasm in which he asked the question, that my answer is in the affirmative.

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. KERR. I yield.

Mr. DOUGLAS. Is it not true that both the accelerated depreciation and the dividend-tax-credit provisions operate to the benefit of those who own stocks in American corporations?

Mr. KERR. Oh, very definitely so. I might say, the accelerated-depreciation provision is available to an individual who might reduce his own taxes, at the

level in which he is paying taxes, in excess of the 85 percent which would apply if he did not have that privilege.

Mr. DOUGLAS. But since most industrial property is owned by corporations, is it not true that the benefits of accelerated depreciation will primarily go to owners of stock in such corporations?

Mr. KERR. That is correct.

Mr. DOUGLAS. Is it not also true that the stock of American corporations is, in the main, rather tightly held?

Mr. KERR. That is true of the large corporations.

Mr. DOUGLAS. Is it not true that the Federal Reserve Board had a study made for it, which was published in the article "1952 Survey of Consumer Finances" in the September 1952 issue of the Federal Reserve Bulletin which showed that less than 11 percent of the families in this country owned any corporate stock at all; that is, one family out of every 9?

Mr. KERR. I take it the question is, Is it not true that less than 11 percent of the families own most of the corporate stock?

Mr. DOUGLAS. No; own any corporate stock at all. I think that was the result of the study.

Mr. KERR. In other words, the study to which the Senator from Illinois refers discloses that not only do 11 percent of the families own most of the stocks, but they own all of them?

Mr. DOUGLAS. That is correct. Is it not further true that 1 percent of the families receive approximately 80 percent of the dividends?

Mr. KERR. That is true.

Mr. DOUGLAS. And therefore the chief benefits under the Republican tax bill accrue to the 1 percent of American families who receive approximately 80 percent of the dividends.

Mr. KERR. The Senator is eminently correct.

Mr. DOUGLAS. Therefore, was not the tax bill which our Republican friends passed last year in effect class legislation?

Mr. KERR. Without the slightest question of a doubt.

I wish to refer to another provision of the act which exemplifies the exalted fiscal responsibility of the Secretary of the Treasury. There now exists in the law what is known as the Humphrey "bloopers," which provision I believe is section 462 (c). That provision gives taxpayers the right to anticipate the expenses they are going to incur next year and take credit for them on this year's tax return.

Mr. DOUGLAS. Will the Senator yield further?

Mr. KERR. I shall yield as soon as I lay down this proposition. When that proposal was made to the Ways and Means Committee the representatives of the Treasury Department stated that the loss of revenue as a result of that provision would be negligible, and that it and some other items in total would not result in a loss to exceed \$47 million, and that this particular item was of such little account as not to warrant thought, notice, or consideration.

Mr. President, it is now disclosed that that little gadget may result in a bene-

fit of billions of dollars to corporate taxpayers in 1955. The minimum amount which I have heard estimated by any responsible authority is that it will cost the Government, and therefore save certain taxpayers, a billion dollars. Authoritative sources have said that in their judgment the provision would result in a loss to the Government of \$5 billion. Fiscal responsibility. What a delightful thing to compliment, and what a noble attribute to claim for one who operates in that fashion.

I yield now to the Senator from Illinois for a question.

Mr. DOUGLAS. I take it the Senator from Oklahoma is referring to section 462 of the 1954 tax law; is he not?

Mr. KERR. I think it is 462 (c).

Mr. DOUGLAS. That is correct; and that provision permits the taxpayer in the first year to deduct, not only the expenses for the current year for a certain number of items, but the anticipated expenditures for the following year, which have been contracted for and for which a reserve may be set up.

Mr. KERR. Whether contracted for or not; all he has to do is anticipate them or imagine them.

Mr. DOUGLAS. There can be included under that provision allowances for payments to welfare funds; that is, employers' contributions to welfare funds to pay sickness and hospital benefits to the employees.

Mr. KERR. That is true.

Mr. DOUGLAS. The provision would include allowances for vacations with pay.

Mr. KERR. That is correct.

Mr. DOUGLAS. And in all probability the provision would also include reserves for payments toward employee pension funds.

Mr. KERR. If either contracted, anticipated, or imagined.

Mr. DOUGLAS. Is it not true that a whole series of other purposes might be covered such as freight allowances, return sales, repairs, and replacements under guarantees, quantity discounts, legal expenses, pending litigation, and not yet billed, for insured, injury, and damage claims, cash discounts on open accounts based on past experience of the percentage of discounts taken, future services under contracts with automobile owners, repurchase of returnable containers sold, publishers' reserves for magazines to be returned by distributors, future costs of pending tax litigation, salesmen's or other employees' bonus, in addition to the vacations with pay and welfare funds and pension funds?

Mr. KERR. And a trip around the world for the board of directors.

Mr. DOUGLAS. In other words, in the first year, in 1954, the employers could deduct not only the actual expenditures made in 1954, but the expenditures in 1955, as anticipated, and therefore get 2 deductions in 1 year. Is that not correct?

Mr. KERR. That is absolutely correct, which would amount to giving to certain taxpayers a tax-interest-free revolving fund, on which the Federal Government would pay interest, since it would increase the national debt to that amount.

Mr. DOUGLAS. And after this year there would be deducted expenses not only for this year, but also for future years. Is that correct?

Mr. KERR. That is correct.

Mr. DOUGLAS. So there is granted a "one-shot bonus", so to speak.

Mr. KERR. Those taxpayers would receive the benefit of the bonus, because it would be built up by anticipating each year's expenses for the following year in the current year's tax return. They would never have to pay that tax unless Congress does what it is being asked to do in the amendment, and repeal the "bloopers."

Mr. DOUGLAS. What was primarily done by section 462 (c) was to allow the employer to make double deductions in the first year, and then anticipated deductions in the following years, but the benefit would come in the initial year.

Mr. KERR. That is correct.

Mr. DOUGLAS. That was based on the so-called Ruml plan which protected taxpayers for a period of time as the tax base moved from a past year to a present year or current basis for computing and paying income taxes quarterly, forgave a portion of the tax for the year in which the base was shifted.

Mr. KERR. That is correct.

Mr. DOUGLAS. In other words, those who wrote this section—whoever they were—and I think it would be very interesting to find out who they were—intended to have a double deduction given in the initial year; is not that true?

Mr. KERR. It is absolutely true.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. In a moment, Mr. President.

First, I wish to get into the Record at this point the definition of the word "silly," because the Secretary of the Treasury, so we were told a little while ago by the newspaper reports, said that the members of the Finance Committee who sponsored this substitute provision were ridiculous, irresponsible, and silly. Mr. President, I find that the word "silly" means just what I was afraid it did. [Laughter.] It means "archaic, helpless, frail, weak, sickly, rustic, plain, weak in intellect, witless."

Mr. President, you do not suppose the Secretary of the Treasury was referring to six Members of the United States Senate, do you? [Laughter.]

I read further from the definition of the word "silly":

"Lacking in sense, foolish, fatuous, proceeding from or characterized by weakness of mind or by folly, absurd, stupid."

Mr. DOUGLAS. Now we know what the Secretary of the Treasury thinks of us.

Mr. KERR. Yes, sir. [Laughter.]

Mr. President, I wish to ask Senators a question. As between, on the one hand, the group who are trying to give to those in the low-income brackets tax relief in the pitifully small sum of a \$20 exemption for the head of the house and an additional \$10 exemption for each member of his family, and, on the other hand, the group who have given such relief to those who say that, unless conditions change, they are going to have a

certain amount of expense next year, thus permitting them to make deductions this year—in only 1 year—in an amount equal to nearly the total amount of tax relief we propose to give the others in the next 2 years—I wish to ask Senators, Which one of those groups, if either, could qualify for that designation?

Mr. KNOWLAND. Mr. President, will the Senator from Oklahoma yield at this point?

Mr. KERR. For a question?

Mr. KNOWLAND. Yes; for a question.

Mr. KERR. Yes; I yield.

Mr. KNOWLAND. I wonder whether the distinguished Senator from Oklahoma—since he objects to the language of the Secretary of the Treasury; and I do not intend to discuss whether perhaps more appropriate terms might have been used—would settle for the statement of the distinguished Senator from Virginia [Mr. BYRD], the Chairman of the Finance Committee, namely, that it was erroneous and fictitious. [Laughter.]

Mr. KERR. Are those two alternatives the only ones the Senator from Oklahoma has? Does he have to settle for one of the two? [Laughter.]

Mr. KNOWLAND. Since the Senator from Oklahoma was complaining about some of the adjectives which had been used by the Secretary of the Treasury, I thought that when the distinguished chairman of the Finance Committee—who, I think is very restrained in his language, and certainly has as good a grasp of the fiscal problems of the Government as has any other Member of the Senate—speaks of it as being erroneous and fictitious, perhaps the language he uses is better than a statement that the proposal is "silly." It is at least subject to some criticism by reasonable persons, I think.

Mr. KERR. I wish to say to the great Senator from California that if he wishes to criticize the Chairman of the Finance Committee, I shall be glad to listen to the Senator from California when he does that, as soon as I have finished my remarks. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I ask the Senator from Illinois to wait just a minute, please.

I would not blame the Senator from California for it, but I would not give him any aid and comfort in it.

I wish to say Mr. President, that I am sure the Senator from California is perfectly capable of doing his own criticizing; but I remind him that the distinguished Senator from Virginia [Mr. BYRD] said the \$20 tax reduction proposal was subject to criticism, whereas the Secretary of the Treasury said that the men who offered it were ridiculous, irresponsible, and silly.

In the first place, I wish to say that the Senator from Oklahoma does not have to choose between the two; he is privileged to decline either the criticism of the one or the opprobrium of the other. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield.

Mr. DOUGLAS. If I may turn from the badinage across the aisle—a contest in which the Senator from Oklahoma always wins—to the discussion of section 462, would the Senator from Oklahoma be interested in statistics, which some of us have gathered, as to the probable cost of section 462, as written by Secretary of the Treasury Humphrey and his associates?

Mr. KERR. I would be delighted to have that appear in the RECORD at this point.

Mr. DOUGLAS. If we consider paid vacations, we find there are in the United States approximately 15 million workers who, under union contracts, have paid vacations provided for them, and therefore those vacations are a contractual obligation. I am told that the average vacation credit so provided is approximately 2 weeks. The average weekly wage in the United States is approximately \$75 a person. So this would mean a liability for this year of approximately \$150 a person, or a total of approximately \$2.25 billion; and, for next year, the same amount.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask a question to clarify the situation: To whom are the exemptions to be given? To the corporations or to the workers?

Mr. DOUGLAS. To the corporations.

Mr. JOHNSTON of South Carolina. The exemptions are not to be given to the workers?

Mr. DOUGLAS. No.

Mr. President, as the Senator from Oklahoma well knows, this issue was raised in the House of Representatives by two very able Democratic Members of the House, namely, Representative WILBUR D. MILLS, of Arkansas, and Representative HERBERT ZELENSKO, of New York. Representative ZELENSKO inquired of the Department of Labor as to the probable cost of vacation credits. I hold in my hand a copy of a letter, which I believe to be correct, from the Acting Commissioner of Labor Statistics, to Representative ZELENSKO, the third paragraph of which reads as follows:

No precise data exist as to total expenditures by employers for paid vacations.

Listen to this, Mr. President:

Using several different bases of estimation, we believe that total vacation payments fell in a range of \$3,225,000,000 to \$4,000,000,000 in 1954.

Mr. KNOWLAND. Mr. President, will the Senator from Oklahoma yield at this point, so that I may ask a question of the Senator from Illinois?

Mr. KERR. Mr. President, I ask unanimous consent that that may be done without causing me to lose the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Illinois whether he is complaining about paid vacations.

Mr. DOUGLAS. No; not at all.

Mr. KNOWLAND. Or does not the Senator from Illinois believe that a paid vacation is a proper charge against the earnings of a corporation?

Mr. DOUGLAS. Certainly it is. What I am objecting to is the employer being given credit twice for the same payment.

Mr. KERR. During this year, for a payment he is not going to make until next year.

Mr. DOUGLAS. That is correct. He is given credit this year not only for this year's payment, but for next year's payment, too, and the Government loses 52 percent of this sum, which it would otherwise collect in taxes. On this item alone it loses between one and three-quarters and two billion dollars.

Mr. President, will the Senator from Oklahoma further yield?

Mr. KERR. I yield for a further question.

Mr. DOUGLAS. The item to which I have referred relates to vacations with pay. Let us consider the question of employee pension plans. This morning the chairman of the board of the Chase National Bank, Mr. John J. McCloy, an eminent Republican, testified before the Senate Committee on Banking and Currency that in 1954 there was expended on pension funds between \$1,600,000,000 and \$2 billion. It is my understanding that deductions for pension funds also come under section 462. So there will be a double shot on pension funds, and the Government will therefore lose on this item alone between \$800 million and \$1 billion more. This, added to the cost of vacations with pay, makes a total of between two and three-quarters and three billion dollars. Then we have welfare funds and all the other items. So I think the Senator from Oklahoma is eminently conservative when he speaks of possible losses of \$3 billion in governmental revenue through section 462.

Mr. KERR. In 1 year.

Mr. DOUGLAS. In 1 year.

Mr. KERR. I thank the distinguished Senator from Illinois for this illuminating discussion and statement at this point in the RECORD. It illustrates that those who hold themselves out as great fiscal authorities have records which show—if mistakes in actions and inaccuracies in statement can do so—that they themselves are guilty of irresponsibility.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. DOUGLAS. Is it not a fact that the administration and the Treasury Department began to frame the revenue bill of 1954 early in 1953, and that in the secret places of the Treasury Department the bill was drafted and built up over a period of a year and a half, and then presented, section by section, to the House Ways and Means Committee? It was not presented as a whole, but section by section, allowing the members very little time in which to analyze it.

Mr. KERR. I must answer the distinguished Senator by saying that I am not in a position, from firsthand knowledge, to answer the question as to how it was presented to the House Ways and Means Committee. The deliberations of the Senate Committee on Finance on the same bill were lengthy. I was a member of the Finance Committee then, as I

am now. The deliberations were totally inadequate to enable us to gain anything like a complete or accurate grasp of the situation. The only thing I have seen of greater length than that bill, which is in common circulation, is either the telephone directory of New York City or a Sears-Roebuck catalog.

I hold in my hand a copy of the Internal Revenue Code of 1954. It contains 984 pages of fine print. In my judgment, as was said on the floor of the Senate last year, it is more of a full-employment act for tax attorneys, and a compilation of special privileges for about 5 percent of the taxpayers of the country, than anything else I can think of.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. KERR. I yield for a question.

Mr. DOUGLAS. I hold in my hand a copy of the report of the House Committee on Ways and Means on that tax bill. On page B-6 the minority complain of the fact that the staffs of the Treasury Department had spent more than 2 years preparing recommendations in connection with the bill, while in contrast the committee was given only 1½ months to deal with it. Further inquiry develops that the committee was given the bill section by section. It was doled out to them in installments. The committee stated:

The staffs of the Joint Committee on Internal Revenue Taxation and the Treasury Department together have spent over 2 years preparing recommendations for this bill. * * *

In contrast, the committee deliberated on this bill for only 1½ months.

We fear that, in the hasty manner in which this most complicated legislation has been handled, we will have to spend many weeks straightening out the law in the future, if the bill becomes law.

And the opposite party was in control of the Congress at that time.

In the short time which we have had to review the bill—and we were only given a completed committee print a week ago—we have found certain changes which are being proposed which we question. The fact that we have not commented on other changes in the bill does not necessarily mean that we approve them.

In other words, the bill was jammed through the House Committee on Ways and Means under more or less of a gag rule, and when it was brought to the floor, amendments were not permitted. The only thing that was permitted was a motion to recommit.

Mr. KERR. I know that the Senator's reading is accurate, and I must say that in my judgment the statements referred to are fully justified.

Mr. DOUGLAS. The Senator from Oklahoma serves on the Senate Finance Committee. When the bill came to the Senate, was not the pressure on the Senate Finance Committee very heavy?

Mr. KERR. I must say to my good friend that members of the Finance Committee of the Senate had some opportunity to examine the bill, discuss it, and ask questions about it, but it was handled in a very limited time, during which it would have been physically and mentally impossible to have become fully aware of and acquainted with all

the provisions of the bill, which is one of the reasons why the Senator from Oklahoma voted against it.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. KERR. I yield.

Mr. DOUGLAS. Is it not true that a very public-spirited citizen by the name of J. S. Seidman, chairman of the committee on federal taxation of the American Institute of Accounting, made a very reasoned criticism of the bill, and called special attention to section 462? I read from page 1321 of the Senate hearings—

Mr. KERR. I will say to the Senator that the accountants' organization advised the Senate Finance Committee that that provision should be carefully looked into and examined, and indicated their judgment that it would be far more expensive than had been indicated by the Treasury Department.

Mr. DOUGLAS. The Senator from Oklahoma, as usual, is correct. Will the Senator permit me to read a passage from the hearings?

Mr. KERR. I shall be glad to have the Senator do so.

Mr. DOUGLAS. The witness stated as follows, with respect to section 462:

The definition of estimated expenses should be narrowed to permit the deduction of only those expenses related to the current year and prior years—

Not future years—

subsequent to election. Otherwise, as the provision now stands, it would seem that interest for all years to maturity would be currently deductible.

He then goes on to criticize other sections, and comments as follows:

To avoid the impact on the revenues in the transitional year where there will be a deduction both for the actual expenses and the estimated expenses, and in order to avoid undue distortion of income, the addition to the reserve should be spread as a deduction over the transitional year and the 2 succeeding years.

In other words, he proposed to ease the blow by spreading the added deduction over 3 years, instead of concentrating it all at once.

Did the Secretary of the Treasury pay any attention to the warning thus given to him?

Mr. KERR. I do not know whether he called the accountants irresponsible.

Mr. DOUGLAS. Is it not true that the Secretary is now saying that this so-called inadvertence was not revealed in the hearings? I ask that question because I hold in my hand a transcript of the television program Face the Nation, of last Sunday on the CBS network, in which the Honorable George M. Humphrey appeared. He was asked this question by Mr. John J. Madigan, of Newsweek:

Was there any explanation of why it was not discovered during the testimony before congressional committees at the time it went into—

Secretary Humphrey. No.

I am sure the Secretary of the Treasury spoke in good faith. However, the record clearly shows that it was pointed out by the American Institute of Accountants and that the institute recom-

mended different treatment for this item. Therefore, was not the Secretary of the Treasury somewhat irresponsible in this case in not taking into account the enormous losses of income?

Mr. KERR. Mr. President, I do not know that I would describe the Secretary's actions as being irresponsible, so much as bullheaded.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. The Senator would admit, would he not, that it was either an irresponsible answer, or a political answer, or a silly answer?

Mr. KERR. Or worse; yes.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. KERR. I yield.

Mr. DOUGLAS. It is true, is it not, that in recent days the Secretary of the Treasury has admitted that it was an error?

Mr. KERR. He not only has admitted it was an error but he actually thinks it ought to be corrected. The group of members of the Committee on Finance who have submitted their minority views, with the aid of the distinguished Senator from Illinois and, I hope, all the other Members of the Senate, will correct it for him.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. KERR. I am glad to yield.

Mr. DOUGLAS. Is it not true that the Secretary of the Treasury admitted that it was an inadvertence only after Representative MILLS had raised the question in a meeting of the Committee on Ways and Means of the House on February 21 and had asked a question about it, and after Representative ZELENSKY, of New York, had made a slashing speech on the floor of the House when the tax bill was under consideration?

Mr. KERR. And also after both actions had been widely publicized.

Mr. DOUGLAS. Therefore it was due to action on the part of Democratic Members of both the House and the Senate that this great loss of revenue has been called to the attention of the general public. Is that correct?

Mr. KERR. And it has resulted in either inspiring or provoking the suggested action by the Secretary of the Treasury.

Mr. DOUGLAS. Mr. President, would the Senator from Oklahoma permit the Senator from Illinois to insert in the Record at this point a list of deductions which a number of great American corporations will make for this year and the coming year in their tax figures?

Mr. KERR. Does the Senator mean with reference to the Humphrey "bloopers"?

Mr. DOUGLAS. With reference to the so-called Humphrey "bloopers"; yes.

Mr. KERR. I should be delighted to have the Senator do so.

Mr. DOUGLAS. I should like to read the names of some of the corporations, and insert more later.

Mr. KERR. I am delighted to have the Senator do so.

Mr. DOUGLAS. I hold in my hand a photostatic copy of page 39 of the Wash-

ington Post and Times Herald of January 28, 1955, which reads:

Capital Transit Co. doesn't owe Uncle Sam any income tax for 1954, according to the company's preliminary report filed with the District Public Utilities Commission.

The windfall, a CTC spokesman explained, is due to section 462 of the Internal Revenue Code. This new clause, he said, permits a company to create reserves for estimated expenses related to 1954.

Of course, also for 1955.

I have collected figures from a number of corporations which show, for example, that the Union Carbide & Chemical Co. will benefit to the extent of about \$3,500,000; Allied Chemical, about \$3 million; and General Baking, about \$497,000. For other firms I have figures showing their actual tax reductions. These are: Montana Power Co., \$64,580; Continental Baking, \$616,000; Connecticut Light & Power, \$273,000; Mohawk Carpet Mills, approximately \$300,000—includes depreciation of additions to capital assets on a liberalized basis; Oklahoma Gas & Electric, \$227,000; Jones & Laughlin Steel Corp., \$1,350,000. These are merely a few corporations from which I have been able to get annual statements in the past 24 hours.

Mr. KERR. A few of the smaller corporations, I assume.

Mr. DOUGLAS. They are not giant corporations.

Mr. KERR. I thank the Senator from Illinois for his remarks.

I wish to examine another aspect of the fiscal thinking and recommendation of the present administration with which I came in contact this morning. I heard the Secretary of Commerce before the Public Works Committee discuss the proposed Eisenhower road program, as provided in S. 1160, which is now before the Public Works Committee.

Under that bill the United States Government would organize a financial corporation with authority to issue from \$20 billion to \$25 billion worth of bonds, and the Secretary of the Treasury, upon the request of the officers of that corporation, would advance to it out of the Treasury of the United States up to \$5 billion of Government funds. Furthermore, the bill would appropriate ad infinitum all the revenue derived by the Government from the present excise tax of 2 cents a gallon on gasoline and other motor fuels, which would provide approximately \$650 million a year.

The Secretary of Commerce said the appropriation would provide sufficient revenue to fortify and justify a bond issue of up to \$25 billion, pay the interest on it and retire it in full in a period estimated at not to exceed 30 years.

He was asked if such an operation would involve the full faith and credit of the United States Government, and he said, "Not at all."

He was asked if the operation would be a direct obligation of the United States Government, and he said, "Not at all."

He was asked if such an operation would indirectly involve the full faith and credit of the United States Government, and he said, "Not at all. Who ever heard of such a silly idea?"

He was asked if the operation would indirectly involve an obligation of the United States Government, and he said, "Not at all."

The distinguished chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD] has had quite a good deal to say about the fiscal responsibility of that proposal. I wish to say that what he has said about it is far more accurate and justified with reference to an act constituting fiscal irresponsibility than the suggestion of the minority of the committee is in accord with the accusations of the Secretary of the Treasury. The action of the House of Representatives does not justify the accusation by the President of the United States of being fiscally irresponsible.

Mr. President, I wish to ask Senators this question: As between the Secretary of the Treasury having a directive from the Congress of the United States to loan corporations \$5 billion of Government money without collateral, without a due date for its repayment, without interest, and a proposal to provide less than a billion dollars a year in tax relief to the low-income groups in our country, which one is consistent with a high regard for fiscal responsibility?

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. O'MAHONEY. I wonder if the Senator from Oklahoma took note of a certain provision of the bill concerning which the Secretary of Commerce testified this morning, and of which I have now learned for the first time. I refer to the provision which sets up a board of directors for the corporation and enables it to issue bonds against the United States for which a permanent appropriation has been made. Did the Senator see that provision?

Mr. KERR. I saw it. I should be glad to have the Senator say what he wishes to say about it.

Mr. O'MAHONEY. Did the Senator take note of the fact that this provision of the administration bill creates a board of directors of 5 persons; that it provides that 3 shall be selected without regard to political affiliation, from the general public; that one of them shall be the managing director of the corporation, on full salary and at full time; that the other two chosen to represent the public shall serve when they are called, at \$100 a day, and they shall be called not less than twice a year; and that the other two directors are the Secretary of Commerce and the Secretary of the Treasury. So the provision clearly places in the hands of the Secretary of Commerce, the Secretary of the Treasury, and the full-time director employed at a large salary to represent the public, the handling of the entire bonding of this proposed road system.

I think it is the zenith of fiscal irresponsibility.

Mr. KERR. I thank the distinguished Senator from Wyoming for his observation, for this reason, Mr. President: We have an administration whose spokesmen are branding the Democratic leadership of the Senate and of the House of Representatives as being fiscally irresponsible for trying to provide tax relief

to the many instead of to the few. That is said to be irresponsible, ridiculous, and silly. Then the representatives of the same administration tell the Congress that the Treasury is to put up \$5 billion of Government money, and that it is not a direct obligation of the Government and not a part of the national debt, and that Congress will be called upon to pass laws making appropriations of public funds from now until the bonds are paid, or throughout all eternity, without the bonds being a direct or an indirect obligation of the Federal Government, or without in anywise involving the full faith and credit of the Government. Yet those in the administration who advance this proposal are holding themselves out as the apostles, advocates, and examples of fiscal responsibility.

Mr. BYRD. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. BYRD. Mr. President, I wish to concur in what the Senator from Oklahoma says with respect to the proposed road plan and I should like to go a step further and say that if this road plan should be adopted, it would destroy honest bookkeeping, because we would have two sets of books. In one set the Government would conceal from the people a bona fide debt, for it must be a bona fide debt, if the bonds are sold.

Mr. KERR. If it is not a bona fide debt of the Government, the corporation could sell no bonds, or they would be perpetrating a fraud.

Mr. BYRD. That is correct. Has the Senator noted that the bill provides for selling these bonds to trust funds of the United States?

Mr. KERR. Yes; to any bank of the United States or any trust fund operated by any bank.

Mr. BYRD. The Senator is familiar with the Social Security trust fund, for instance, in which are deposited the savings of those who contribute to their old-age retirement.

What does the Senator think of a bill which in one section declares these highway bonds would not be a debt of the Federal Government, and in another section provides that the officials of the Federal Government can sell the bonds to Federal trust funds for which they are guardians? What does the Senator think of that?

Mr. KERR. I thank the great Senator from Virginia for referring to that fact, because it shows to what length representatives of this administration will go in sponsoring a program which they favor, as contrasted with the length to which they will go to hold up to scorn and ridicule those who advocate a measure with which they disagree. There can be no question in the minds of fair and reasonable people—and the American people are fair, reasonable, alert, and intelligent—that the public will become aware of the hypocrisy of the representatives of an administration who say we can use \$25 billion worth of funds of the Federal Treasury and make the bonds representing that amount available for investment, but the bonds are no part of the national debt, although they involve the faith and credit of the Federal Government. Sponsors of

this proposal say it is a measure of high fiscal integrity and virtue. Why, Mr. President? Because the bonds carry a higher rate of interest than would otherwise be available to private investment firms in this country.

Mr. President, what is the proposal of the minority members of the Finance Committee? They give the Congress of the United States a clear choice. We can do one of two things: We can provide less than a billion dollars a year tax relief to the low-income taxpayers, or we can leave in the law tax relief in excess of a billion dollars to those who are the most favored and best situated among our taxpayers. We can provide less than a billion dollars a year tax relief to seventy-odd million taxpayers, or we can continue as is now provided by the Revenue Act of 1954 in excess of a billion and a quarter dollars a year tax relief to less than 5 percent of the people of the United States.

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. O'MAHONEY. I wanted to ask the Senator a question having to do with the point which he and the Senator from Virginia were discussing, namely, the investment in trust funds.

The distinguished and able Senator from Delaware [Mr. FREAR] asked me a moment ago if it was my opinion that under a law which declared that the bonds were not a direct obligation of the Government, it would be possible to sell them to any bank or institutional investor.

I answered him by saying that the question overlooked the fact that such investment is permitted in the trust funds. This means that all the money which the small people of the United States may invest in postal savings, all the money which the employees of the United States Government may contribute to their retirement fund, and all the money which may be paid by workers throughout the country toward social security—all that money, under the provisions of the bill, may be diverted from the purposes for which it was intended, and invested in bonds which the bill says would not be a direct obligation of the United States.

In all my experience, it is the most fantastic proposal I have ever encountered as coming from the executive branch of the Government.

Mr. KERR. Would the Senator say it might even be a little bit silly?

Mr. O'MAHONEY. I do not like to apply adjectives.

Mr. KERR. I did not refer the word to those who advocated the proposal; I meant the proposal itself. Would the Senator from Wyoming say that the proposal is a little bit silly?

Mr. O'MAHONEY. I should say the proposal is completely silly. It is more than that. I think it is a proposal which, in the language used in the bill, covers up the purpose that is sought to be accomplished.

Mr. KERR. I thank the Senator from Wyoming.

Mr. President, so long as the money spent or the interest involved is with reference to those in the low-income

groups—yes, the widows and the orphans—either doing them justice or safeguarding their assets, it is a matter of little note; and regardless of what may be done with it, no criticism can attach. But, Mr. President, we must not touch the precious few who constitute less than 5 percent of the people of the country, and for whose benefit those provisions of the act of 1954 were exclusively written upon the statute books of the Nation.

The choice is this: The proposal of the minority would bring in, during the next 2 fiscal years, a minimum of \$6,155,000,000 in revenue not now provided for, and not provided for in the bill.

Of that amount there would be expended in the next 2 fiscal years a total of \$1,261,000,000 in the form of tax relief to the income-earners receiving an average of less than \$5,000 a year. This would leave in the United States Treasury a net of \$4,894,000,000 minimum in the next 2 fiscal years, over and above the amount which the Treasury will receive either under existing law or under the provisions of the proposed substitute.

Or, if the proposal of the minority group be rejected, the result will be a continuation of in excess of \$350 million a year tax bonus, exemption, and benefit to less than 5 percent of the people who receive the dividend income of the Nation. It will continue in excess of \$1 billion a year tax bonus, tax premium, and tax benefit to those taking advantage of the accelerated depreciation feature of the act of 1954. It should also be noted that under the provisions of the substitute, individual and corporate rates will be extended until the end of fiscal 1957 or into the middle of 1957, so as to correct the so-called Humphrey "blooper."

In my judgment, the adoption of the substitute would recognize our responsibility to do equity and justice as between all the taxpayers of the Nation.

In his testimony on the bill, the Secretary of the Treasury made the statement, "We reduced taxes last year \$7,400,000,000," when the fact is that \$3 billion of the reduction to individual taxpayers was the result of the Democratic tax bill of 1950 or 1951; \$2 billion of the reduction was the result of the expiration of the excess profits tax, originally provided for in a Democratic bill, and then extended and terminated by the Revenue Act of 1953; \$1 billion was the result of a reduction in excise taxes, brought about last year, which the Secretary of the Treasury admitted was over his objection and over the objection of the administration. The Secretary said \$1,400,000,000 in relief was provided by the Revenue Act of 1954, for which he took responsibility, and with reference to which I was glad to have him take responsibility.

But I reminded him, and I now remind the Senate, that the \$7,400,000,000 tax relief granted by all these reductions is of less benefit to the families earning less than \$5,000 a year than would be the substitute suggested and sponsored now by the minority of the members of the Committee on Finance.

The substitute to which I now refer, and the adoption of which I favor and

urge, in providing an exemption of less than \$1 billion a year—\$20 to each taxpayer, other than his spouse, and an additional \$10 credit for each dependent of the taxpayers generally, who do not have the benefit of the split income feature, thus holding the reduction, on the average, to those earning less than \$5,000 annual income—will furnish a greater degree of tax relief to those who need it most than will the total amount of \$7,400,000,000 in reductions which went into effect last year.

Mr. President, the choice is simple, plain, and clear. In voting upon the substitute proposal, we shall vote either to give relief in a limited manner and degree to those who need it most, or to keep giving relief to those who need it least.

By voting for the proposed substitute, we shall provide a minimum of an additional \$4.5 billion in revenue during the next 2 fiscal years, which, if the estimates of the Treasury are correct, will come very close to balancing the budget in fiscal 1957. By voting against the substitute, we shall leave tax relief to be looked at, and either to be provided or ignored in the election year of 1956.

Therefore, I urge the favorable consideration and acceptance by the Senate of the substitute proposal.

Mr. KNOWLAND. Mr. President, in the interest of accuracy, I think it would be well to place into the RECORD at this point a statement which Secretary of the Treasury Humphrey made before the Ways and Means Committee of the House at 10 o'clock this morning, when testifying on the bills before that committee; H. R. 4725, which was introduced by Mr. COOPER, the chairman of the Ways and Means Committee; an identical bill, H. R. 4726, which was introduced by Mr. REED, of New York, the ranking minority member of the committee; together with copies of two letters which the Secretary of the Treasury addressed to Mr. COOPER, the chairman of the House Ways and Means Committee, dealing with this subject, and suggesting proposed legislation in regard to it.

I ask unanimous consent that those documents be printed in the RECORD.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objection?

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

STATEMENT BY TREASURY SECRETARY HUMPHREY BEFORE WAYS AND MEANS COMMITTEE, MARCH 10, 1955

Mr. Chairman, I am here today to urge prompt action, as I did in my letter to the chairman on Monday of this week, to repeal sections 452 and 462 of the Internal Revenue Code of 1954.

The original objectives of these two sections which cover prepaid income and reserves for estimated expenses was simply to conform tax accounting with business accounting. It was never intended that these provisions would result in any substantial loss of revenue or result in windfalls to taxpayers. A review of the consideration of this subject by this committee will confirm the impression held at the time by lawyers, accountants, and businessmen, that the basic motive for these provisions was simplifica-

tion of tax accounting procedures, and not radical tax reductions.

This tax law became effective on August 16, 1954. During the fall, as the knowledge of its provisions increased, there began to be rumors that these particular provisions might not work as originally intended. Before the end of the year, studies by the Treasury staff, working with the staff of your committee, were undertaken to see if the threatened situation could properly and effectively be cured by regulation. Proposed regulations were issued on January 22. However, until the time came when these provisions began to be put into actual practice by taxpayers preparing their income tax returns and the 30 days expired for protests against the proposed regulations, there was not much reliable information available.

It then developed that there is a sharp difference of opinion between taxpayers and the Government as to the scope of these sections. The tentative regulations issued by the Treasury on January 22, in order to carry out the provisions of the law, have come under strong attack as being too restrictive in limiting the intended application of the sections. Taxpayers have already served notice that they intend to litigate this restriction. Should they be successful in the courts, the revenue loss under the law might be far in excess of anything contemplated by the Congress. As soon as the checks were sufficiently conclusive to satisfy the staff that the original objective might not be carried out and that the situation could not be adequately corrected by regulation, they reported their findings and we promptly made this move to call the matter to the attention of the Congress.

The original estimate for several so-called bookkeeping items, of which sections 452 and 462 were the principal revenue items, was \$47 million. The limited check that we have made around the country indicates that the loss would be substantially greater than the original estimates. How much greater it might be we cannot now say because we simply do not have the information as to what the bulk of taxpayers concerned might claim should these provisions remain in the law, and with the litigation that would surely be involved in many cases should the provisions remain, we might not have final figures on the loss for years to come.

Repeal of these two provisions will restate the legal rights of everyone just as they were under the old law prior to last August and protect the Government from revenue loss which was never intended by the Congress.

I wish to emphasize that there is almost no new money over our original estimates which will be added to the Treasury by repeal of these two provisions. This action simply avoids unplanned loss of revenue.

The objective of trying to conform tax accounting with business accounting is still a sound one. In trying to do this, however, a serious mistake was made in not sufficiently limiting the application of the provisions and restricting the revenue impact of the changes as enacted. That is why repeal is required rather than amendment, so as to be sure that in any new approach to the original objective the revenue is adequately protected.

As we have previously testified and said many times, in a revision of tax laws involving 875 pages of printed matter covering all of the law with respect to Federal taxation, it is inevitable that some errors should creep in. These can all only be developed by experience in actual practice and we have repeatedly said that as soon as any discrepancy between the original congressional intent and actual operation of the law became apparent we would call it to the attention of the Congress for corrective action. This is such a case.

H. R. 4725

A bill to repeal sections 452 and 462 of the Internal Revenue Code of 1954

Be it enacted, etc.—

SECTION 1. Repeal of sections 452 and 462.

(a) Prepaid income: Section 452 of the Internal Revenue Code of 1954 is hereby repealed.

(b) Reserves for estimated expenses, etc.: Section 462 of the Internal Revenue Code of 1954 is hereby repealed.

SEC. 2. Technical amendments.

The following provisions of the Internal Revenue Code of 1954 are hereby amended as follows:

(1) Subsection (c) of section 381 is amended by striking out paragraph (7) (relating to carryover of prepaid income in certain corporate acquisitions).

(2) The table of sections for subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by striking out—

“SEC. 452. Prepaid income.”

(3) The table of sections for subpart C of such part II (relating to taxable year for which deductions are taken) is amended by striking out—

“SEC. 462. Reserves for estimated expenses, etc.”

SEC. 3. Effective date.

The amendments made by this act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

H. R. 4726

A bill to repeal sections 452 and 462 of the Internal Revenue Code of 1954

Be it enacted, etc.—

SECTION 1. Repeal of sections 452 and 462.

(a) Prepaid income: Section 452 of the Internal Revenue Code of 1954 is hereby repealed.

(b) Reserves for estimated expenses, etc.: Section 462 of the Internal Revenue Code of 1954 is hereby repealed.

SEC. 2. Technical amendments.

The following provisions of the Internal Revenue Code of 1954 are hereby amended as follows:

(1) Subsection (c) of section 381 is amended by striking out paragraph (7) (relating to carryover of prepaid income in certain corporate acquisitions).

(2) The table of sections for subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by striking out—

“SEC. 452. Prepaid income.”

(3) The table of sections for subpart C of such part II (relating to taxable year for which deductions are taken) is amended by striking out—

“SEC. 462. Reserves for estimated expenses, etc.”

SEC. 3. Effective date.

The amendments made by this act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

MARCH 3, 1955.

HON. JERE COOPER,

Chairman, House Ways and Means Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I am writing you with respect to reserves for estimated expenses under the provisions of the new tax code. The Treasury staff in collaboration with the staff of the Joint Committee on Internal Revenue Taxation has been investigating for several months this subject and several others which may need congressional correction.

We will submit to your committee a full list of these provisions, together with our suggestions, in the near future. This will include our report and recommendations concerning reserves for estimated expenses.

Although the studies made thus far are not finished, it seems clear that some of the reports on the revenue law involved are grossly exaggerated.

We will urge your committee to take prompt remedial action.

Sincerely,

G. M. HUMPHREY.

MARCH 7, 1955.

HON. JERE COOPER,

Chairman, House Ways and Means Committee, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This supplements my letter of March 3 concerning the operation of the two new accounting provisions covering deferred income and reserves for estimated expenses (sections 452 and 462 of the Internal Revenue Code of 1954). Our studies now have proceeded far enough to indicate clearly that many taxpayers are planning to use these provisions to defer income and create deductions in excess of any contemplated at the time they were proposed.

The objective of these sections was simply to conform tax bookkeeping with business bookkeeping. They never were intended to cover innumerable items some taxpayers apparently intend to claim. If permitted to remain in the law, they will cause a greater loss in revenue than estimated and cause considerable litigation. We are unable to adequately correct this by regulation. Accordingly, I recommend that the two provisions cited above immediately be repealed retroactively to their original effective dates.

Our report and recommendations on various other technical corrections in the 1954 code will be ready soon.

Sincerely,

G. M. HUMPHREY.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at the point where I placed other material in the RECORD including a statement by the Secretary of the Treasury before the House Committee on Ways and Means, information which has been extracted from the unedited record of the Committee on Ways and Means, and in which the following colloquy took place, wherein the word “silly” was used.

I think it important that the connotation be made clear, because I do not believe the statement connotes what it was earlier interpreted to mean. I read from the statement by Secretary Humphrey, in part, as follows:

Now, there is no gain in any of the fiscal years involved except the fiscal years as they come by the extension of these other taxes. So there is no gain by the extension of excise taxes or corporate taxes in years that we are discussing. Those are for future years, and it is just as silly to say that that is a saving of tax or an increase of tax to the Treasury as it would be to say that we are going to add \$60 billion a year with the other taxes in those same years.

When that is made clear, it can be seen that some misinterpretations were placed on the Secretary's remarks. He was not referring to individual Senators, but to a claim that merely extending excise taxes an additional year beyond what they are proposed to be extended in the bill would provide a gain in revenue at this time which would affect the balancing of the budget.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM TESTIMONY BY SECRETARY HUMPHREY BEFORE WAYS AND MEANS COMMITTEE, MARCH 10, 1955

Secretary HUMPHREY. I will be very glad to comment. In the first place, as I said in my statement, this bill will not make any money to speak of. We estimated a total loss of \$50 million for this and other items. Some one of those items was dropped out and the 50 revised to 47, so that this and the other items together, we estimated, would be \$50 million. Now, if this is repealed, some part of that \$47 million will not be spent. That is, it will be saved. But that is all that is involved in this bill. There is no billion dollars or any other amount that will be saved to the Treasury, that will be added to the Treasury's receipts, over and above estimates, because of this bill. All we will do will be to save a possible loss under Treasury estimates.

Now, there is no gain in any of the fiscal years involved except the fiscal years as they come by the extension of these other taxes. So there is no gain by the extension of the excise taxes or corporate taxes in years that we are discussing. Those are for future years, and it is just as silly to say that that is a saving of tax or an increase of tax to the Treasury as it would be to say that we are going to add \$60 billion a year with the other taxes in those same years.

Mr. MILLS. It would add to the revenues for the fiscal year 1956.

Secretary HUMPHREY. There will be \$60 billion of other revenues. And to say that you are going to have \$60 billion added is just as silly as anything I can think of, and it is perfectly misleading.

Now, as to the extension of taxes into future years, that is just silly to say that adds to the Treasury's return.

Now, as to the two items that he suggests be withdrawn, be canceled, one is the dividend credit, which is 180 to 360, and the other is the depreciation item, which is somewhere from 300 to 900, depending upon the quarters you are talking about, as he gives the figures; and I am not sure those are the correct figures and we haven't checked them, but they are good enough to talk about.

If you will go back, Mr. MILLS, just about 1 year, you will recall that the prophets of doom and gloom were sending this country to the dogs—that we were heading straight for the dogs if various things weren't done. A lot of very unsound, in our opinion, proposals were made which were discarded. In lieu of those unsound things that were suggested to pull us out of the doom and gloom that was threatened, we did several things—this administration did several things—one of which was to pass this tax law which contained these two provisions.

Now, then, the things which were done, including these two provisions, have reversed this field and, instead of being headed for doom and gloom today, we are headed for and are in better times, and I think there is nobody anywhere who will deny that. If the prophets of doom and gloom of a year ago now want to start out repealing the things that reversed the field and send us back into doom and gloom, they ought to adopt this kind of proposal.

This proposal is just as irresponsible, just as political, and just as bad from every point of view as the original proposal, with the added amount of repealing the things that have been helpful in reversing the field from doom and gloom to better times—to making jobs instead of losing jobs.

Mr. MILLS. Mr. Secretary, do I understand, then, from what you say, that we should do nothing about the provisions of H. R. 8300 that are correctly drawn to carry out the principles which were agreed upon for inclusion in the bill because of the possibility that, if we do upset any of those provisions,

we may reverse the upswing in business activity and bring about depression or a downturn in business activity?

Secretary HUMPHREY. I said last year—and I told you and I told everybody—that, in my opinion, those were two important provisions to help strengthen the economy—to make jobs. The jobs are being made. Those provisions were enacted and the jobs are being made and I think they are contributing to it. I think it would be a great mistake to repeal them.

Mr. KNOWLAND. Mr. President, I think those who are interested in the facts rather than in the politics of the situation will see that the Secretary of the Treasury has given a very forthright statement of the background of the tax provision, the repeal of which he has recommended, and has pointed out in his statement that the matter had been called to the Department's attention.

The provision under discussion went into effect only in August of last year. As soon as the Treasury began to check it and learned that there had been some difference of opinion, apparently, between the taxpayers and the Treasury Department as to the effect of the provision, the Treasury's experts were put to work on it. The Secretary has very promptly called the matter to the attention of Congress and has recommended definite action.

I do not think any fairminded American will contend that every piece of legislation enacted by this Congress or by any prior Congress is perfect in every detail. We are constantly passing bills to amend acts of previous sessions of Congress. I think at least fairminded Americans will recognize that when an error is discovered, due credit should be given to members of the minority party, who also called the matter to the attention of their respective Houses of Congress, and should likewise be given to the Treasury Department, which itself was working on this problem, and which promptly recommended corrective action.

It has not always been true that corrective action was taken in past administrations when errors were called to their attention. I well recall in the Alger Hiss case that for 5 years the executive branch of the Government had knowledge of his subversive activities and his membership in an espionage ring, and yet he was kept in positions of the highest responsibility in the Government of the United States for a period of several years thereafter.

I only wish that those mistakes had been corrected as promptly as the Secretary of the Treasury has corrected what appears to be an honest mistake in the application of the particular section of the law which has been mentioned.

Mr. KERR. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. KERR. The Senator from California has stated that the administration was moving to correct the error, and he was giving due credit to the minority party for having discovered the error. Will the Senator tell me to which party he was referring?

Mr. KNOWLAND. If I said minority party, I misspoke. I meant to say that

due credit should be given to the Democratic Party. If I said minority party, I meant to say Democratic Party.

Mr. KERR. I desired to understand correctly what the Senator said, lest his remarks go into the RECORD uncorrected and the Senator be subjected to charges of irresponsibility.

Mr. KNOWLAND. I was so used to referring to the Democratic Party last year as the minority party that I misspoke. I wish the RECORD to be corrected. I certainly wanted it to be clear that it was members of the Democratic Party in the House and in this body who called the matter to the attention of their respective Houses. I think the Secretary's statement and my statement made it clear that the Treasury Department was prompt in its action.

Mr. KERR. In spite of the fact that only last Sunday the Secretary of the Treasury made a different statement?

Mr. DOUGLAS. Mr. President, will the Senator from California permit me a word?

Mr. KNOWLAND. Certainly.

Mr. DOUGLAS. In view of the statement of the Senator from California, in which, if I heard it correctly, he said that the mistake had first been discovered by the Treasury, and only subsequently by members of the Democratic Party, I should like to read a statement by Chairman JERE COOPER, of the Committee on Ways and Means, which he issued on the 8th of March. We all know of Representative COOPER, of his long experience, high standards, and personal honor. I should like to read the statement of Representative COOPER on this point:

For some time some of us on the committee have been concerned about the operation of these provisions and the resulting loss of revenue, due to the fact that these provisions were rumored to be creating windfalls for affected taxpayers. During the appearance of the Secretary of the Treasury before our committee on February 21, 1955, when we were considering the extension of the present corporate and certain existing excise-tax rates, Mr. MILLS (Democrat, of Arkansas) asked the Secretary about section 462, and in particular whether or not it was true that there might be a considerable loss of revenue involved in this provision.

I ask Senators to take note of the following statement by Mr. COOPER:

The Secretary replied that the estimate for the revenue loss for all the accounting provision changes, including section 462, was still \$47 million, as originally estimated, and that he was not aware of the fact that there were reputed to be windfalls under this provision for taxpayers. Mr. MILLS then asked the Secretary to investigate the rumored windfalls and report to the committee immediately if he discovered that they might exist.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KNOWLAND. I do not think there is any inconsistency. The Treasury Department is a large Department of the Government. The Internal Revenue Service is one agency under the Treasury Department. I know both of the men whose names have been mentioned are honorable men. Mr. COOPER has a distinguished record in the House,

and is the chairman of the Ways and Means Committee, and I would take his statement at full and face value.

I also believe it is equally correct to take at face value the Secretary's statement that within the Treasury they also had been concerned by some of the developments; that they were having checks made to see whether the rumors were correct, as to whether deductions beyond what the Treasury had in mind were being taken, and that the information was being gathered by whatever branch of the Treasury Department would normally carry that work on.

I merely make that statement in the interest of achieving the objective which I am sure the committee wants to achieve, namely, that people will pay their fair share of the tax burden, and that undue benefits will not inadvertently be given to any taxpayer through a loophole in the law. All I am saying is that the administration, I think in a responsible manner, has, by addressing a letter to Mr. COOPER, Chairman of the Ways and Means Committee, which handles tax legislation in the House, with a copy of the letter being sent to the Speaker of the House, and with the introduction of a bill which would repeal the particular section in question, to which perfectly valid criticism has been made, has proceeded promptly, and has proceeded in the proper way, to clear this matter up.

I only repeat that I think if all the mistakes which have been made in either Democratic or Republican administrations, many of them perhaps inadvertent mistakes, were cleared up as promptly, we would not have before us some of the problems which exist today.

Mr. DOUGLAS. Mr. President, I should like to point out to my good friend, the Senator from California, that the investigation by the Secretary of the Treasury seems to have followed, not preceded, the charge made by Representative MILLS, of Arkansas, and Representative ZELENSKO, of New York, that it was they who prodded the Treasury into action; and the record also shows that at the time when this point was raised, the Secretary of the Treasury said he knew of no windfall, and that he stood on his testimony of the preceding year.

I wish to say that when Mr. Humphrey was confronted with the facts showing that this was about as gross a "blooper" as ever had been perpetrated in a tax bill, with a consequent loss of billions of dollars of revenue, he admitted it. I am glad the admission was made, and I wish to give him credit for making it. But, on the other hand, I desire to point out that a great deal of the damage has already been done.

Mr. KNOWLAND. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. KNOWLAND. I am sure the Senator from Illinois wishes to state the facts. Let me say I have been informed—and I believe the information to be correct, although I may be mistaken—that if the bills introduced in the House of Representatives are passed, there will be no loss in revenue. As a matter of fact, in any event we would

not gain any revenue. What damage would be done would be in respect to the estimated revenue in the budget; there would be a reduction of that. But the closing of the so-called loophole—which of course should be done, and as to which there is no disagreement, so far as I can observe, as between the administration and those on the other side of the aisle—will not result in giving additional revenue over what was had theretofore. It will merely prevent the loss of that estimated revenue.

Mr. DOUGLAS. Mr. President, there are two issues here. One is as to how far back the change in the law may be made retroactive. It is my estimation that in this instance probably the repealer can date back until only about March 9, and therefore we shall lose a certain amount of revenue for the first 10 weeks of the year.

Mr. WILLIAMS. Mr. President, will the Senator from Illinois yield to me at this point?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS. For the information of the Senator, the bill to correct this loophole, which has been introduced in the House of Representatives and which has been recommended by the Secretary of the Treasury, was introduced by both Representative REED, the ranking minority Member, and Representative COOPER, the chairman of the Ways and Means Committee. This bill makes the effective date of this correction applicable to all taxable years beginning after December 31, 1953; and it has been ruled that such retroactive features would be legal.

Furthermore, I do not believe that any Member of Congress has expressed any opposition to the making of such a correction; therefore, the passage of the bill will be automatic.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I think the Senator from Illinois had in mind the accelerated depreciation, rather than section 462 (c). But let the Members of the Senate be under no illusion.

Mr. President, on Monday of this week, following extended meetings on Sunday with Members of the Senate, there was prepared for presentation to the Members of this body corrective legislation on section 462 (c).

I wish to commend the able minority leader for his most recent attitude on section 462 (c). Earlier in the day he appeared, in a manner, at least, to justify it; but I am quite glad now to see that he has joined in a movement which has been inaugurated to repeal that section. But the decision had been made to include, as an amendment to this bill, proposed legislation correcting that error and that mistake; and the authorities in the other body had been informed as to that decision.

Then what happened? A hurried-up effort was made on the part of the Secretary of the Treasury to have such a bill introduced. Then what happened?

The majority leader discussed the situation with spokesmen of the other body, and said that although we did plan to

propose repeal of section 462 (c) as an amendment to the bill now before us, since it was the constitutional responsibility of the House of Representatives to initiate tax legislation, we saw no objection to having a bill for this purpose introduced in the House of Representatives. We also saw no objection to having hearings held by the appropriate House committee on such a bill. We said we hoped that, as a result of those hearings and as a result of the insistence of the Secretary of the Treasury upon prompt action perhaps the Senate would wish to move on that matter, in connection with this bill.

Mr. President, I hope that is exactly what the Senate does.

Mr. DOUGLAS. Mr. President, in order that the record on this matter may be more complete, let me say that I welcome the statement of the Senator from Delaware that the repeal of section 462 (c) may be made retroactive. I am informed that that is correct, and I am delighted it is.

But as regards the alertness of the Secretary of the Treasury in connection with this matter, I wish to point out that on February 21, in reply to the question by Representative MILLS, the Secretary of the Treasury said it would cost only \$47 million, and said he was not aware that there were reputed to be any windfalls; and on last Sunday, in his nationwide telecast, when he was asked about this matter by Mr. Madigan, the Secretary of the Treasury replied, in referring to the loss about which he had been asked: "I do not know whether it might be two or three hundred million dollars or not."

So, Mr. President, even as late as last Sunday, 4 days ago, the Secretary of the Treasury was not aware of the enormous loss in revenue which would come from section 462. I think the record is perfectly clear that although the Secretary of the Treasury did, when under pressure, admit—as he was forced to do—there would be a great loss in revenue, the real credit for this movement should go to Representative MILLS, of Arkansas, and Representative ZELENSKO, of New York.

Mr. LONG. Mr. President, will the Senator from Illinois yield to me, for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG. Is the Senator from Illinois aware of the fact that when the Secretary of the Treasury was before the Finance Committee only a few days ago the junior Senator from Louisiana asked him about the possibility of such a loss of revenue, in the amount of billions of dollars, and at that time the Secretary of the Treasury said that was not correct, that it was enormously exaggerated, and that the loss would be no more than a few million dollars?

I recall the matter very distinctly, because it had concerned me as I know it concerned other members of the committee, to have it stated that the loss from this mistake could have been so enormous. I believe the Senator from Illinois will find in the hearings the testimony to which I have referred; I believe it will be found at the end of the

hearings, because it happened in connection with the hearings on the reciprocal trade bill, but perhaps it might have been included at the very end of the hearings on the tax bill, in order to have it appear in that connection.

Mr. DOUGLAS. I shall examine the hearings to see whether I can find that part of the testimony.

Mr. President, I am assured by the Senator from Louisiana that in the initial hearings on the reciprocal-trade bill he addressed to the Secretary of the Treasury a question as to whether there would be an appreciable loss of revenue. It is my understanding that the Secretary of the Treasury replied that there would not be. I would appreciate it if the Senator from Louisiana would bring out this point by questions.

Mr. LONG. Mr. President, I believe the Senator will find that on the first day of the hearings on the reciprocal-trade bill, on March 3, or 4, last week, I asked the Secretary of the Treasury about the possible loss of revenue. At that time he stated that he had had occasion to look into the question, and that the proposal referred to would mean the loss of some millions of dollars, but that it would not mean anything like the loss which had been indicated. He said that it had been greatly exaggerated.

Mr. DOUGLAS. I am delighted to have this material, because it builds up the case still further. On the 25th of February the Secretary of the Treasury said that he knew of no windfall. On the 4th of March he said there would be no windfall. Last Sunday, over a nationwide television program, he stated that the loss would not amount to more than \$80 million.

So the record shows that the Secretary of the Treasury either ignored or minimized the loss until the Democrats in the House, with some prompting from Democrats in the Senate, brought the attention of the country to the terrific loss of revenue which would be involved. We congratulate the Secretary of the Treasury for having finally learned the true situation. I feel that gratitude to the Democrats for revealing this great loss in revenue, and gratitude to the Democrats for the contribution which they have made to the Treasury of the United States, should lead the Secretary of the Treasury to be more gentle in his speech when he refers to the members of our party.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. Is the Senator aware of the fact that a Democrat on the committee also suggested what the Secretary of the Treasury said he would like to see done, that is, to continue the corporation tax, and that every Member on the Republican side of the aisle voted against continuing the corporation tax, at a time when we are in no position to suggest to corporations that we can afford to reduce their taxes 10 per cent?

Mr. DOUGLAS. It has been my observation that virtually everything that is good in the Republican tax bill has come from the Democrats, and the evil additions have been their own.

Mr. WILLIAMS obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield, in order that I may suggest the absence of a quorum, with the understanding that he will not lose his right to the floor?

Mr. WILLIAMS. I yield for that purpose.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, very briefly I wish to discuss the amendment, in the nature of a substitute, to the tax bill which has been offered by the Senator from Oklahoma [Mr. KERR] and other Senators.

First, I wish to make it clear there is no disagreement among Senators on either side of the aisle as to the wisdom of extending the 5-percent corporation tax rate.

Likewise, there is no difference in our positions as to extending the excise taxes, which are scheduled to expire on April 1 of this year, including the excise taxes on alcohol, tobacco, automobiles, and other articles.

Likewise, there is no question with reference to the loophole which was discovered in H. R. 8300, the Internal Revenue Code of 1954, as enacted by Congress last year. It is my understanding that there is no objection either in the House or in the Senate to the repeal of section 462 of the Internal Revenue Code of 1954.

As I pointed out before, its repeal will be effective with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954. Therefore, there will be no loss of revenue in that respect.

At this time I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of H. R. 4726, which is the bill introduced in the House by Representative REED. It is the same bill that was introduced by Representative COOPER and it is the legislation that was recommended to Congress by Secretary Humphrey in his testimony earlier this week.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SECTION 1. Repeal of sections 452 and 462.

(a) Prepared income: Section 452 of the Internal Revenue Code of 1954 is hereby repealed.

(b) Reserves for estimated expenses, etc.: Section 462 of the Internal Revenue Code of 1954 is hereby repealed.

SEC. 2. Technical amendments.

The following provisions of the Internal Revenue Code of 1954 are hereby amended as follows:

(1) Subsection (c) of section 381 is amended by striking out paragraph (7) (relating to carryover of prepaid income in certain corporate acquisitions).

(2) The table of sections for subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of

gross income included) is amended by striking out—

"SEC. 452. Prepaid income."

(3) The table of sections for subpart C of such part II (relating to taxable year for which deductions are taken) is amended by striking out—

"SEC. 462. Reserves for estimated expenses, etc."

SEC. 3. Effective date.

The amendments made by this act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954.

Mr. WILLIAMS. Mr. President, we come back to the question of how such a loophole could occur in a revenue bill. I am a member of the Committee on Finance, as are the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and other Senators; and I believe all of us will agree that certainly it was not the intention of the Committee on Finance, or the intention of any of the committees of Congress, or of Congress itself, that any such interpretation should be placed on the provision in question. However, after the law had been enacted it was found that many corporations were placing such a loose interpretation on that section.

Only recently, it was called to the attention of the Secretary of the Treasury by Representative COOPER and by another Representative whose name I forget at the moment. I am perfectly willing that credit for the discovery should go to these Representatives. At the same time I feel that credit should also be given to the Secretary of the Treasury for the prompt action he took to urge the repeal of the section after the loophole had been called to his attention.

The question might well arise as to why he did not discover the loophole sooner in view of the fact that the Internal Revenue Code was passed in August of last year. It was not discovered sooner because corporations did not begin to file their tax returns until March. They are not due until March 15. It was only when they began to file their annual returns and after their annual reports became public that this loophole was discovered either by the Secretary of the Treasury or by others. I say that by way of explanation, and do not cite it as an excuse for what happened.

As to why it did occur, perhaps it happened for the same reason that a few years ago a loophole got into our tax laws under the previous administration, which loophole was interpreted as giving authority to write off, as legitimate business deductions, political contributions to the Democratic Party in exactly the same way that authority was given to write off contributions to churches and other charitable organizations. By no stretch of the imagination was it ever the intention of Congress to provide that the Democratic Party should be given that benefit or that contributions to the Democratic Party should be permitted to be written off as contributions. This loophole had the indirect effect of financing the 1948 Democratic campaign out of the Federal treasury.

I am rather pleased to note that Secretary of the Treasury Humphrey took steps to plug the loophole just discovered within 48 hours after it was

called to his attention. All of us remember that it took more than a year to get the previous Secretary of the Treasury to take any action. Therefore, I believe we should pay our respects to Secretary Humphrey for his promptness.

Perhaps another explanation of how that loophole got into the law is furnished by an examination of the manner in which a loophole was written into the FHA act, under which millions of dollars in windfall profits were allowed to go to certain large operators. These excessive profits in turn resulted in extra large charges being made to Korean veterans when they sought to buy their homes. I believe it was the Senator from Virginia [Mr. BYRD] who first called the attention of Congress to that loophole. We know that billions of dollars were lost to the Federal Government, the American taxpayers, and homeowners because of that loophole.

That particular loophole came into being under the previous administration and through a law that was administered for a long period of time by a man who had a long-established criminal record. I refer to Mr. Clyde L. Powell. It certainly took a long time to find out about that loophole, to expose the scandal, and to get Mr. Powell out of Government service. His criminal record had been covered up by the previous administration.

These loopholes have ways of creeping into laws, and Congress must always be alert to detect and correct such situations. The prompt action taken by Secretary Humphrey, within hours after the time the matter was called to his attention, is something unusual in the history of Washington politics.

It has been said that the tax revision act which was passed last year gives benefits to those who need them the least; namely, the rich. That has been the theme here this afternoon by the group who with their crocodile tears have been pleading for a tax reduction.

It seems that there are more of the smaller taxpayers who vote at the polls, and for that reason there is always much concern expressed by Members of the Congress on both sides of the aisle for those small taxpayers.

Mr. President, I am not interested in getting into any discussion this afternoon as to which party represents fiscal irresponsibility. I wish briefly to review the record, because it is based upon the performance of the parties in the past when entrusted with power that the record stands.

Down on the farm when we ask a farmer in the middle of January what kind of fruit a certain tree will bear, he will tell us, for instance, that it will be a white or a yellow peach. He speaks from his knowledge of what kind of fruit that tree bore in the past.

That is the only way we can judge a political party. We cannot judge either party based upon what it says it will do in the future. Therefore, let us examine the record.

With reference to a balanced budget, there has not been a speaker this afternoon who has not expressed great interest in balancing the budget. In review-

ing the 1932 platform of the Democratic Party—

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I shall be glad to yield to the Senator for an insertion in the RECORD.

Mr. JOHNSTON of South Carolina. I should like to make a brief statement.

Mr. WILLIAMS. I would rather not yield at this time.

I read from the Democratic platform of 1932:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, * * * and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

At that time, Mr. President, it was costing approximately \$4 billion to pay all the operating expenses of the Federal Government. The Democratic Party was elected in 1932 upon that well-phased promise; but, 20 years later, when that party went out of office, it was costing \$60 billion to run our Government; and at the time the Democratic Party went out of power it had left a national debt which was at an all time high of \$266 billion.

Mr. LONG. Mr. President, will the Senator from Delaware yield for a question?

Mr. WILLIAMS. I yield for a question.

Mr. LONG. Can the Senator tell us what was the gross national production when the Democratic Party came into office and what it was when the Democratic Party went out of office?

Mr. WILLIAMS. I do not have those figures before me, but I shall be glad to get them.

Mr. LONG. Would the Senator be surprised to know that it was five times as much when the Democrats went out of office than it was when they came in?

Mr. WILLIAMS. I am not at all surprised at that. But the national debt was nine times as great.

Mr. President, I continue to read from the Democratic platform—

Mr. KERR. Mr. President, will the Senator from Delaware yield for a question?

Mr. WILLIAMS. I yield for a question.

Mr. KERR. Did the Senator say that the national debt was then at its all-time high?

Mr. WILLIAMS. It was, so far as any administration leaving power was concerned. It had been higher 2 or 3 times. It had reached a peak, I think, of around \$278 billion or \$279 billion; it had dropped down, but at the time the past administration went out of office it was \$266 billion.

Mr. KERR. What is the amount of it at this time?

Mr. WILLIAMS. It is approximately \$274 billion; however, to offset that increase contractual obligations or unrecorded bills have been reduced by over

\$20 billion representing a net reduction of over \$8 billion.

I continue quoting from the Democratic platform of 1932:

We favor maintenance of the national credit by a Federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

I read further:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

I now read from the Democratic platform of 1948:

We pledge the continued maintenance of those sound fiscal policies which under Democratic leadership have brought about a balanced budget and reduction of the public debt by \$28 billion since the close of the war.

I do not know where they found that figure, because at that time the Federal debt had been increased \$200 billion over what it was when the Democratic Party took control. The record shows that during the 26 years in which the Democratic Party had control of the Government, they had never lived within their income except in two of those years. It might be said that part of this could be attributed to the fact that there were two world wars during the history of Democratic administrations, but all the deficit was not during the war years. During the peacetime years in which they were in control there was a deficit of over \$70 billion, which when added to the \$198-billion wartime deficit means that during the 26-year regime they spent \$268 billion more than they took in through taxes. Yes, \$268 billion worth of the so-called benefits which have been given to the people by the Democratic Party are charged to their grandchildren and to future generations.

Spend, tax, and elect has been the password of the Democratic administration for the past 20 years.

Mr. LONG. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. LONG. Inasmuch as the Senator has gone back 25 or 30 years, I should like to ask him if he is aware of the fact that the only time the national debt was ever paid off was under a Democratic President—Andrew Jackson?

Mr. WILLIAMS. That only emphasizes my point when you have to go back to President Jackson to find a Democratic balanced budget.

The Republican Party, on the other hand, has had control of the Government 28 years since 1900, and taking those 28 years, subtracting deficits from surpluses, we find that there was a surplus of \$10 billion which was paid toward liquidation of the national debt. The only net reductions in the national debt which have been made by either political party during the past 50 years, have been made under Republican administrations.

Mr. President, now let us discuss the tax policy of the two parties. The claim has been made that the Democratic Party expresses a greater sympathy for

the American taxpayers. Both parties always express sympathy because the taxpayers vote on election day. But unfortunately sympathy does not have a cash value. It is the political parties record of accomplishments, not promises, that counts.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. Mr. President, I have been on the floor the entire afternoon and I have rather enjoyed the cascade of tears and solicitude for the taxpayers. Just to make the record clear, I wonder if the Senator from Delaware would take the example of an ordinary family, a man and wife, in 1932, and then state how much tax under present rates, after the lapse of 20 years, the same family would pay?

Mr. WILLIAMS. I shall bring it to the attention of the Senate because I think it is interesting. A man and wife with a taxable income of \$3,500 in 1932 had an exemption of \$2,500. That would represent a taxable income of \$1,000. The rate at the time the Democratic Party took over was 4 percent, which would mean that a married man with a taxable income of \$3,500 would pay a tax of \$40.

Mr. DIRKSEN. Let us anchor it there. I can understand the dollar sign. A man and wife with an income of \$3,500—

Mr. WILLIAMS. A taxable income.

Mr. DIRKSEN. That is correct. It would represent a net tax of \$40?

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to say—

Mr. WILLIAMS. Mr. President, I have not yielded to the Senator from South Carolina. We have heard from the other side of the aisle for approximately 5 hours, and I notice that some of their Members are leaving the Chamber. I am sorry they are leaving, because I am quoting the Democratic platform, which is something they have not looked at in years. This record of observing these promises is not too good, and I do not blame them for not enjoying this review.

The tax rate was 22 percent in 1952, at the time the Democratic Party went out of power—a rise from 4 percent to 22 percent in 20 years or an increase of over 500 percent.

This is an increase on the lowest income group and the same group about whom so many tears are being shed here this afternoon.

Continuing the example, the married man with \$3,500 net taxable income in 1952 had only a \$1,200 exemption. His tax on the remaining \$2,300 at 22 percent would be \$506 compared with \$40 on the same income when the Democratic Party took control. That is the manner in which the Democratic Party has put its pledges into practice. As I said before, down on the farm we judge the tree by the fruit which it bears.

Mr. DIRKSEN. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. So in 1932, the tax on a \$3,500 income, after exemptions for

the taxpayer's family, would have been \$40.

Mr. WILLIAMS. That is correct.

Mr. DIRKSEN. At the end of 20 more years, as my friend Adlai Stevenson would say, the tax would have been \$550. Is that correct?

Mr. WILLIAMS. It would have been \$506.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that since 1932 there have been World War II and the Korean war?

Mr. WILLIAMS. I am glad the Senator from South Carolina has mentioned that.

Mr. JOHNSTON of South Carolina. Was it not necessary for us to pay for those wars?

I should like the Senator from Delaware to tell us, also, the number of people who were making \$3,500 in 1932.

Mr. WILLIAMS. The Senator from South Carolina mentioned the two wars. I am glad he did so because in every campaign which has been held since 1932 the question has been raised about the depression which took place under the Republican administration. A good argument could be made that this depression which was worldwide should not be attributed solely to the Republican Party. However, let us review the record on that point as far back as 1900. We find that since 1900 the control of our Government by the two political parties has been about equally divided, the Republican Party having had control 28 years and the Democratic Party 26 years. During the 28 years in which the Republican Party has had control of the Government since 1900, there has been but one depression.

It could be argued that the depression was a worldwide depression and not chargeable to the Republican Party. But I shall skip that. Since it occurred in a Republican administration, let us momentarily charge the depression to the Republican Party.

I point out, however, that while there was one depression which lasted 3 years—it was a severe one, as we all know—nevertheless let us not forget that under the Republican Party the United States enjoyed 28 years of peace—28 years in which the boys and girls of America could be sent to college. They were not engaged in war.

But, as the Senator from South Carolina has pointed out, under Democratic administrations the United States has engaged in two world wars and also what is called a Korean police action. The Democratic Party would rather not refer to three wars.

I wish to make it clear that I am not accusing the Democratic Party of being a war party. I know that the wars were world wars; and an excellent argument, with which I would agree, could be made that the United States was engulfed in those worldwide conflicts. But they were wars, and they happened under the Democratic administration and if—

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator further yield?

Mr. WILLIAMS. Not at this moment. I want Senators on the other side of the aisle to hear what I have to say. I listened to them all afternoon.

If members of the Democratic Party wish to charge the depression to the Republican Party, a depression which was worldwide but which they wish to charge to the Republicans solely because it happened in a Republican administration, then I want the Democratic Party to take full blame for the wars which occurred in the Democratic administrations. If they boast of the artificial prosperity which accompanied those wars let them have full credit for the wars.

I thank the Senator from South Carolina for reminding me of the wars, although I do not think the country would be forgetful of them.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I prefer to finish what I am saying. To return to the tax question, because that is what we are discussing—

Mr. DOUGLAS. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. I would rather not. The hour is late, and the Senator from Illinois did not wish to yield to me when he was speaking.

Let us review the record to determine which political party has actually been the friend of the taxpayers, which party has reduced taxes, and which party has just talked about it.

In 1913, the first income-tax law was placed on the books. During the 41-year period which has elapsed since 1913, there have been 15 increases on individual income taxes. This report was furnished by the Joint Committee on Taxation and signed by Mr. Colin F. Stamm under date of October 14, 1954. The record shows that there have been 15 tax increases on individuals. Thirteen of those increases took place under Democratic administrations.

On only two occasions during the past 40 years have there been increases in taxes under Republican administrations.

On the other hand, there have been 10 tax reductions passed by Congress. Eight of those reductions took place under Republican administrations. On only two occasions since 1900 have there been tax reductions passed by Democratic Congresses.

On that record alone, I think, the American people can determine which party means what it says when it claims sympathy with the American people on the question of high taxes.

Let us now consider the history of personal exemptions. A lot of crocodile tears have been shed here this afternoon by those pitying the low income taxpayers. Which political party has actually helped the low income groups?

Certainly we all hope that we shall soon see the time when exemptions can be raised. Certainly I am not arguing that they are high enough. But we find again that when the Democratic Party took control of the Government in 1932, the personal exemptions were \$1,000 for a single person and \$2,500 for a married person.

As I pointed out to the Senator from Illinois [Mr. DIRKSEN] a few moments ago—

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS. I should like to finish what I am saying.

Mr. JOHNSTON of South Carolina. I do not believe the Senator is stating the facts correctly.

Mr. WILLIAMS. The facts are correct. They just sound bad when they are reviewed. I repeat: In 1932, when the party of the Senator from South Carolina came into power, individual exemptions were \$1,000. The exemption for a married couple was \$2,500. That amount was gradually whittled away by the Democratic Party until in 1948, when the Republican Party took control of the 80th Congress, the amount of the exemption had reached an all-time low of \$500 for an individual and \$1,000 for a married couple.

It was then over the veto of a Democratic President that the exemption was raised by the Republican 80th Congress from \$500 up to \$600. It is true that several Members on the other side of the aisle cooperated with the Republican Party in overriding the veto. But, as President Truman then said, the Republican Party, which was in control of the 80th Congress, was responsible for everything that happened. That was his statement. So the Republican Party takes the credit for that tax reduction. We are proud of it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I should like to review briefly what that 1948 tax reduction amounted to because it was vetoed by a Democratic President, whose party today says it is such a great friend of the low-income groups.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. LONG. Is the Senator from Delaware aware of the fact that in the 80th Congress the tax bill was passed by the Senate and the House, and that in both Houses more than 90 percent of the Democrats voted for increased exemptions, while most Republicans voted against increased exemptions?

The President vetoed the first bill because it did not provide anything for those in the lower income brackets.

In the subsequent bill, which was passed over the President's veto, an amendment was offered in the House to increase the exemption another \$100, and most Democrats voted for the exemption.

Mr. WILLIAMS. I have great respect for the junior Senator from Louisiana, but he is confused on this matter. It would not have been mathematically possible for the Democratic Party to have passed any bill in the 80th Congress because the Republican Party had an overwhelming majority in both Houses.

Mr. LONG. I am certain the Senator from Delaware misunderstands what I am saying. During the 80th Congress, at a time when the Democrats admittedly were in the minority, a great majority of the Democrats voted repeatedly to raise the exemption, and offered

amendments to that effect to the tax bill passed during that Congress.

Mr. WILLIAMS. The record will show that the amendment raising exemptions was a part of a Republican tax bill and vetoed by a Democratic President. It is true that it was supported by many Members on both sides of the aisle. I am not trying to say that it was not. Nevertheless the Republican Party had overwhelming control of both Houses of Congress, and none other than the President of the United States said that the Republican Party was responsible for everything that happened in that Congress, and he vigorously denounced this same tax reduction measure in his campaign.

I review that 1948 tax bill. In addition to raising the exemption from \$500 to \$600, which was a reversal of the policy of gradually whittling down the exemption over 20 years, it also raised the exemption for persons over 65 years of age from \$500 to \$1,200. The Republican Party said that the earning capacity of those over 65 was limited, and that such persons were entitled to an additional exemption not of an additional \$100 but of \$700 more than they received before. That action had the effect of removing 1,400,000 persons over 65 years of age from the tax rolls.

That was tax relief where it was most needed.

The Democratic Party under President Truman said that that was bad; that those people should not be helped. President Truman vetoed the bill. It was necessary for the 80th Congress, which was controlled by the Republican Party, with the help of some of the Democratic members, to pass the bill over the President's veto.

Again, the Republican Party said that persons who were handicapped by blindness should receive a special exemption, and the exemption for persons in that category was increased from \$500 to \$1,200. That proposal, too, was vetoed by a President from the Democratic Party, a party which has more than once shed crocodile tears here this afternoon.

It will be found that altogether 7,400,000 persons were removed from the tax rolls in 1948 by this Republican Congress, which passed this tax bill over the veto of the Democratic President, when the individual exemption was raised from \$500 to \$600.

Yes, that action was denounced by the same political party whose representatives are shedding all these crocodile tears in the Senate this afternoon.

Once again, I pay my respects to the Members on the other side of the aisle who cooperated with the Republican Party in passing that wise legislation. Nevertheless, I point out that the bill which affected beneficially so many persons was opposed by the same political party which today is shedding crocodile tears for the same people, it was passed over their objections.

That action by a Republican Congress represented the first reversal in the whittling away of the amount of exemptions in the low-income group which had taken place in 20 years.

Again I ask my friends on the other side of the aisle that if they had been

so interested in raising exemptions why did they not do something about it during their 20 years in power? Their present concern sounds to me—and I think it will be so considered by the American people—like a deathbed repentance.

Let us examine another section of the law that is being attacked as a giveaway program, namely, the accelerated depreciation-allowance provision. I want to make it clear that I am one of, I think, 13 Members of the Senate who voted against the tax bill last year. I voted against it because I felt it was unwise to pass the reduction at that time, that we should first have balanced the budget. I think if the law is to be criticized I am in a better position to criticize it than are some Senators who are criticizing it today but who voted for it when it was before the Senate because they wanted it passed, either because they desired the benefits for themselves, or for some other reason. Yet they now denounce the same depreciation provision which last year they supported.

I refer to the accelerated depreciation feature. As one Senator who voted against the bill, I say now that that provision was one of the wisest provisions included in the bill. It did more to help the little business man and farmer than any bill previously enacted. While this accelerated depreciation provision did not mean another 5-year amortization program it did represent a more rapid depreciation. It means that every taxpayer whether he is building a filling station, whether he is a farmer buying a tractor, or a small-business man building a warehouse, can more rapidly write off the cost of such investment without going to Washington and getting an amortization certificate. We all know that small-business men and farmers do not know how to get around the red tape in Washington. He cannot afford to pay a high-priced lawyer or a lobbyist to get him an amortization certificate. The record shows that under the previous administration 95 percent of all the amortization certificates of the 5-year writeoffs were given to the large corporations. The small-business man and farmer were ignored.

I wish to review what happened under the old law. We know that an expansion of plants was necessary during World War II. It was agreed that accelerated amortization would be justified. So during World War II accelerated amortizations were allowed in order that the plants which were needed for World War II could be constructed. Under this program a total of \$7,300,000,000 was allowed in 5-year amortization certificates. That was adequate. We won the war. Those plants were still in existence and available when we became involved in the Korean war.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. Is it not true that the total farm-price support for all the farmers in the United States amounts to only about \$1 billion?

Mr. WILLIAMS. I do not have that figure before me.

Mr. LANGER. Yet a small group of businessmen and large corporations received over \$7 billion; but one does not

read about that in the newspapers, does he?

Mr. WILLIAMS. As I have said, I do not have those figures before me.

In World War II we granted \$7,300,000,000 in accelerated depreciation. However, the past administration granted amortization certificates amounting to \$11,104,000,000 in 1951 alone, or 150 percent, in the first year of the Korean war of what was granted in the entire period of World War II.

In 1952, the figure was extended higher again; \$11,727,000,000 was granted in 1952, or a total, in that 2-year period, of over 3 times the amount granted during the entire World War II period. I repeat, 95 percent of that amount went to the major corporations, and it was the 1954 Revenue Code which corrected this inequity and placed the small corporations and farmers on a level with the largest.

This is one of the provisions which the Senators sponsoring the substitute bill here today would repeal. They want to go back to the old law where the large corporations or those with the proper influence will be the only ones to get a tax credit.

Yes, this record shows which party has been talking and which has been acting. In 1953, the first year of the Eisenhower administration the amount granted in amortization certificates to the large corporations was cut down to \$4,780,000,000, and in the first 3 months of 1954 it was \$421 million.

The Secretary of the Treasury, Mr. Humphrey, came before the Congress and said he recommended a proposal which would treat all taxpayers alike. It was not a question of speaking against large industry, but as he said it was a provision which would give the farmer, the small-business man, the same rate of depreciation that had previously been granted so freely under the previous administrations to the large corporations alone.

I am sorry that Members of the Democratic Party would try to repeal a provision which gives the farmer for the first time in history the right to write off his tractor at the same rate of depreciation as was previously granted to the manufacturer who makes the tractor. Apparently they would now put him back under the old discriminatory provisions previously in existence.

Mr. President, I ask unanimous consent that a letter furnished by Mr. Parnell, executive assistant to the Financial Policy Committee of the Bureau of the Budget, showing a breakdown of these amortization allowances be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., April 1, 1954.

HON. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: In compliance with your telephone request of March 31, 1954, the following data is submitted relating to tax amortization certificates.

During World War II (1940 to 1945) tax amortization certificates were issued in ac-

cordance with the Second Revenue Act of 1940, covering privately owned facilities estimated to cost approximately \$7.3 billion. Substantially all of these certificates were on a 100 percent basis, that is, authorizing the writeoff of the entire cost of the facility over a 60-month period. In addition, the Government expended approximately \$18 billion of public funds for industrial facilities during this period.

Tax amortization certificates have been issued pursuant to section 124-A of the 1950 Revenue Act approved on September 23, 1950, to stimulate private investment in defense facilities, as follows:

Calendar year:	Dollar amount
1950-----	\$1,470,000,000
1951-----	11,104,000,000
1952-----	11,727,000,000
1953-----	4,780,000,000
1954 (to Mar. 24, 1954)-----	421,000,000
Total-----	29,502,000,000

Of this total amount, approximately 60 percent, or \$17,700,000,000 may be written off for income tax purposes over a 60-month period. The remainder of the cost not certified for defense purposes can be written off concurrently at normal depreciation. It should be noted that this amount of \$17,700,000,000, above referred to, is in lieu of normal depreciation applicable to the certified portion of the investment. The difference between the accelerated amortization and the normal depreciation, at the prevailing tax rates, represents a tax deferment repayable to the Government during the remaining useful life of the facilities. It may be of interest to you, based upon a study made by the Treasury Department of the activity under the World War II amortization statute, that perhaps approximately 30 percent of the amortization certified will not be utilized either because of failure of the taxpayer to proceed with the certified expansion or because of an election not to use tax amortization for business reasons.

I would like to call your attention to the third annual report (p. 3) of the Joint Committee on Defense Production, dated October 20, 1953: " * * * Expansions have been accomplished with minor public-fund expenditures, in contrast with the World War II expansion when public funds were used for more than 70 percent of plant expansion."

I trust this information will be helpful to you.

Sincerely yours,

F. L. PARNELL,
Executive Assistant, Financial Policy
Activity.

Mr. WILLIAMS. Mr. President, the information contained in these documents shows a breakdown of the amortization certificates as distributed by both political parties.

I think from that information alone one can see which party is protecting the smaller taxpayer. I wish to repeat that it was only under this provision as enacted in the law last year that the farmer who buys farm machinery could, for the first time in history, write off that farm machinery at a rate of depreciation comparable to that used by the owner of the plant which manufactured the machinery.

Our major farm organizations enthusiastically endorsed this accelerated amortization provision as it was incorporated in the 1954 revenue act.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Illinois.

Mr. DIRKSEN. Notwithstanding that the rate would be somewhat smaller than the depreciation allowance on, let us say, an Oklahoma oil well. Is that not correct?

Mr. WILLIAMS. Yes, you are right. The 27½ percent depletion allowance allowed the oil companies is a major loophole. For years we have unsuccessfully tried to plug this millionaire "gravy train." One point that should be remembered as we discuss this accelerated depreciation provision of the 1954 act is that while the small-business man and the farmer now get a greater depreciation allowance the larger corporations get a smaller allowance than they enjoyed under the old law. Personally, I doubt that in the long run the provisions of the 1954 code will be as expensive as the old law.

I still cannot understand how those who so enthusiastically voted for the bill last year can justify the position they are taking on the floor this afternoon.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. LANGER. I wish to compliment the distinguished Senator for the very fine speech he is making. Every Senator on the floor knows the fine record which the Senator from Delaware has made in connection with tax matters. In all the investigations made by the Senator from Delaware has he ever discovered a small farmer who kept two sets of books?

Mr. WILLIAMS. I never found any small farmer or any large business which did so, because I have not had occasion to investigate that question. However, I will agree with the Senator from North Dakota that the overwhelming majority of the American farmers are honest. I go further than that lest my remarks be misunderstood. I think the overwhelming majority of American corporations and the American people, regardless of the position they occupy, are honest. My experience in exposing irregularity in the Treasury Department showed that while the irregularity involved crooked taxpayers, they were involved only as they connived with crooked Government officials. Furthermore, what I have said with respect to the farmers and the American people generally can be said for Government officials. While there were a few bad or rotten apples in the barrel, the overwhelming majority of Government officials, even those in the Treasury Department, were trying to perform their duties well; but there were some who were dishonest.

As the Senator knows, it took the last administration much longer to recognize the problem than was necessary. I placed in the RECORD time and time again matters calling irregularities to their attention. It was only after convictions were obtained that the administration admitted we were right.

Mr. LANGER. I remember the Senator from Delaware did a very fine job in connection with the Internal Revenue collector up in New York, whose name was Johnson, and how time after time on the floor of the Senate the Senator

appealed to the Department of Justice and to others to see that justice was done. The Senator is entitled to all the credit for the exposures in that matter.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield to the Senator from Louisiana.

Mr. LONG. When the Senator speaks of accelerated depreciation which was granted to war industries during the Korean war, the Senator realizes, does he not, that at that very time Congress also enacted a 10-percent corporation tax and also an excess-profits tax? If we had not provided for accelerated depreciation credit at that time, no one would have had any profit incentive whatsoever to set up a war industry, because—after all—for the most part those industries could not have anticipated very good business conditions after the war was over. Ordinarily it would have been anticipated that there would be a great falling off in the demand for their products, after the Korean war was over.

Mr. WILLIAMS. I have already said that there would be some justification for the issuance of amortization certificates, but I point out that the arguments the Senator from Louisiana uses in behalf of the issuance of such certificates are the same ones which were used in favor of the issuance of amortization certificates during World War II. During World War II there was also an excess-profits tax, just as there was during the Korean war. Conditions were identical, except that as we approached the Korean war, we then had left over from World War II all the vast productive capacity we had used in order to win that war, whereas when World War II began we had to build from a scratch. Yet, I point out that the amortization certificates issued for 1951 and 1952—for those 2 years alone—were granted in the amount of \$22 billion, or over three times as much as the total amount required during World War II. I point out further that over 95 percent of those certificates went to only a few of the major corporations.

I know the Senator from Louisiana will agree with me that, under the accelerated depreciation provision which is under attack today, there is for the first time in years equal treatment for every taxpayer in the United States—for the small-business man who is building a warehouse, for a farmer who is building a barn or purchasing a combine or a tractor, as well as for the manufacturers of those products.

I do not know the position the Senator from Louisiana took in the committee. I believe he supported the provision. I do know that the committee overwhelmingly subscribed to the recommendation of the Treasury Department that all taxpayers be treated on a basis of equality, and also overwhelmingly subscribed to the principle that unless this provision was written into law, small taxpayers would not be able to obtain amortization certificates or credits.

I doubt that there is in the United States a small taxpayer who would even go to the trouble of applying for an

amortization certificate. I know the Senator from Louisiana will agree with me as to that principle.

Mr. LONG. But my point is that I gained the impression that perhaps the Senator from Delaware was suggesting that in the previous tax bill, the previous Democratic administration was favoring big business, because of the depreciation provision. However, I wanted to call the attention of the Senator from Delaware to the fact that the same administration also slapped on big business an excess-profits tax and a 10 percent increase in corporation taxes.

Mr. WILLIAMS. That is true. But the provision about which I am speaking is an exemption whereby such concerns could write off \$23 billion of accelerated depreciation, rather than pay excess-profits taxes. Regardless of whether that was right or wrong, I know it was a direct tax credit, 95 percent of which went to the large corporations; and that is what is proposed to be restored in place of the accelerated depreciation provision, which now is being given to all taxpayers on the basis of equality. I am merely trying to get the record straight as to what you propose to do under your substitute proposal being offered here this afternoon.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. The Senator from Delaware well knows, and I think all other Members of this body well know, that the term "tax amortization" was familiar to every clerk and secretary on Capitol Hill, and that there was not an office of a Senator or a Member of the House of Representatives that did not have visitors from home who were interested, and who in most cases could afford to come to Washington to present their case to the appropriate agency, whereas the average farmer or small-business man was not in that happy position. So this provision took care of all in an equal way.

Mr. WILLIAMS. That is right. As I said before, a farmer who builds a barn or a farmer who purchases a tractor, or a small-business man now gets exactly the same tax credit as that obtained by the largest business corporation in the country. However, that is not a condition which existed in prior years. I certainly think that fact, too, should be stated for the record in order to show which party favors the smaller taxpayers.

Mr. President, earlier this afternoon we were told that under the preceding administration the national debt had declined by \$3 billion. It is true that on June 30, 1946, the public debt was \$269,400,000,000; and on June 30, 1953, the last fiscal year for which the preceding administration was responsible, the national debt stood at \$266 billion, or a decline in that 7-year period of \$3.4 billion. There has been much boasting about that figure; however, I wish to point out that almost anything can be proved by figures if a part of the figures are omitted. I desire to incorporate in the Record today figures which perhaps,

shall we say, were overlooked by those boasting of that reduction.

Mr. President, yes; on June 30, 1946, the public debt was \$269,400,000,000. That is correct. However, at the same time the cash on hand or the general fund was \$14,200,000,000.

On June 30, 1953, the cash on hand had declined to \$4,600,000,000, or a decline in cash on hand of approximately \$10 billion. On that point alone we have a decline of \$10 billion in the cash on hand, and we have a decrease of \$3 billion in the national debt. Those figures alone put the previous administration in the position of having a \$7 billion deficit.

But, still that does not tell all the story; and we want all the story told this afternoon.

Continuing the record of the 7-year period of the preceding administration we find that on June 30, 1946, the unexpended appropriations, or contract authorizations were \$28 billion. When the preceding administration left office, it had increased the contractual obligations as of June 30, 1953, to \$83,298,000,000, or an increase of approximately \$55 billion in that item. Thus we find that taking this \$55 billion in unpaid bills, and adding the \$10 billion loss in cash, then subtracting the \$3 billion credit made on the national debt leaves the record to show that the Truman administration actually spent \$62 billion more during their 7-year term of office than they collected in taxes. Yes, during those 7 years the Truman administration spent a total of \$62 billion more than it took in, and those obligations were passed on to the Eisenhower administration.

I now ask unanimous consent to have printed at this point in the Record, as a part of my remarks, figures furnished to me by the Library of Congress which substantiate this report.

THE PRESIDING OFFICER. Is there objection?

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

THE LIBRARY OF CONGRESS, LEGISLATIVE REFERENCE SERVICE, Washington, D. C., September 28, 1953.	
Hon. JOHN J. WILLIAMS, United States Senate, Washington, D. C.	
DEAR SENATOR WILLIAMS: In reply to your recent inquiry for various Federal financial data, the following information is submitted:	
1. Unexpended appropriations (general and special accounts):	
June 30, 1946.....	\$28,022,633,816
June 30, 1947.....	17,720,154,104
June 30, 1948.....	19,632,952,700
May 31, 1953 (actual).....	91,280,853,215
June 30, 1953 (estimated).....	83,298,436,271
2. Gross public debt (as of June 30):	
1946.....	\$269,422,099,173
1947.....	258,286,383,109
1948.....	252,292,246,513
1953.....	266,071,061,639
3. General fund balance (as of June 30):	
1946.....	\$14,237,900,000
1947.....	3,308,100,000
1948.....	4,932,000,000
1953.....	4,607,200,000

4. Rescissions of appropriations and contract authorizations by the 80th Congress:

	80th Cong., 1st sess.	80th Cong., 2d sess.	Total, 80th Cong.
Appropriations.....	\$4,111,339,814	\$79,681,845	\$4,191,021,659
Contract authorizations.....	132,000,000	205,071,294	337,071,294

With regard to the effect of Congressional rescission of appropriations on the public debt, such action did not directly bring about a reduction of the total Federal debt. Indirectly, the public debt was affected in that it did not rise as high as it might have, had Federal expenditures been at the high level originally provided by Congress.

Sincerely yours,

ERNEST S. GRIFFITH,
Director.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. What my friend, the Senator from Delaware, seeks to emphasize is that the previous administration had all the fun of doing the shopping and buying the merchandise; and then, when that administration went out of office, it laid on the desk of President Eisenhower all the bills, to the tune of approximately \$83 billion, and those bills confronted us when we came in.

Mr. WILLIAMS. That is correct.

Mr. DIRKSEN. So they had the fun, and we have had to pay.

Mr. WILLIAMS. Yes. Stated in more simple terms, during the first 12 months of the Eisenhower administration, every dollar and every dime of revenue collected was insufficient to pay off the outstanding bills the present administration inherited from the Truman administration. I am speaking now only of those bills not included in the national debt figure.

At no other time in the history of the United States Government has any previous administration in going out of office passed on to its successor any such amount of unpaid bills or indebtedness. The nearest to it was in 1945, when President Roosevelt died unexpectedly in the midst of his term. The contractual obligations of the Federal Government then amounted to \$28 billion, but that was in large part due to the fact that World War II was going on, and there were a great many unpaid bills.

But why would there be three times as many unpaid bills in 1953 when the Eisenhower administration took over as there were during World War II—unless the previous administration was afraid to tell the American people just how much they were spending. They were afraid to tell the American people the cost of some of the programs that had been "given" to them.

I wish to repeat something that is often overlooked. The Federal Government does not give anything to the American people. The only benefits the American people receive through legislation are benefits which are paid for by the taxes taken directly or indirectly out of the pockets of those who receive the benefits. The Government has no mysterious source of income. The only source of revenue available to the Federal Government is that of taxes on the

American people or from money which is borrowed in their name.

I think we are fortunate that after 22 years we have an administration in power which is trying to turn back to the people some of the control over their own money.

One thing which we should remember in connection with this proposed tax reduction is that every dollar of tax reduction proposed in this bill or any other bill can be paid for only by borrowing the money. Expenses have not been cut sufficient to offset the loss in revenue. I am not speaking on the merits of whether \$600 exemption is high enough or not but merely pointing out that every dollar of tax reduction can be paid for only by borrowing the money. In order to borrow the money, we must first raise the ceiling on the national debt. I do not believe that at any time, under any consideration, a tax reduction based on borrowed money can be justified, particularly at a time when the country is at peace and when we are enjoying the highest degree of prosperity we have ever known.

1953 and 1954 were the 2 years of highest prosperity this country has ever known. For the first time, after 20 years, the American people are seeing that they can have both peace and prosperity and that they do not have to choose between peace and prosperity.

I think it is important to remember, as the Senator from Virginia [Mr. BYRD] so ably pointed out, that we cannot continue down the road of deficit spending. The reductions in the proposed substitute would lose about \$2¼ billion. I wish to point out that not only must we borrow the money to pay for the tax reduction, but we must borrow an additional \$67½ million annually to pay the interest on the money we borrow to meet the tax reduction. Yes, it will cost \$67½ million dollars to pay the interest on the money we borrow to pay for the tax reduction alone.

Certainly that type of financing could be described as fiscal irresponsibility. As further evidence of the danger of continued Government-deficit spending, I point out that in 1929 the income of two-thirds of the people of the State of California would have been sufficient to pay all the operating expenses of our Government.

Ten years later, in 1939, to pay the operating expenses of our Government it would require all the income of all the people in 11 of our most Western States.

In 1953, at the time we took control of this administration, it would require all the income of all the people in 23½ States, or all the income of all people west of the Mississippi, plus the income of the people of 1½ States east of the Mississippi. The devouring shadow of taxation is gradually rolling eastward. Eventually, under this rapid spending program, all the people will be working for the Government, and the Government will ultimately take control. History shows that more governments have spent themselves into socialism than have ever adopted that philosophy through legislation.

The greatest danger to America today is the growing tendency on the part of too many political leaders to overlook

the importance or necessity of the Government's living within its income.

There is no question today but that our Federal budget could be balanced if Congress and the executive branch only have the will to do it. It cannot be done, however, if political leaders continue to promise their constituents support for every Federal aid program or appropriation and at the same time promise lower taxes, all in the name of political expediency.

The indirect effect of this 20-year inflationary policy has been to destroy one-half the value of every Government bond sold. The past administration has expressed a great deal of sympathy for the average working man, elderly people, and those in the low income brackets. If sympathy had a dollar value, they would all be millionaires today. Ten years ago the Government sold an American citizen a Government bond and said to him, "You pay in \$3, and we will pay you back \$4." The holders of such bonds cannot buy with the \$4 what they could have bought with \$2 at the time they purchased the bond. One-half the purchasing power of every Government bond had been taken away. One-half the value of every life insurance policy, every savings account, every pension or social security fund, and every retirement fund, has been destroyed as the result of the inflation of the past 10 years.

In every town in America we can picture some elderly couple who retired 10 or 15 years ago on what we would have said at that time was adequate income, either from a life insurance policy or a pension fund, to take care of them for the rest of their lives. However, today as the result of the depreciation of the purchasing power of their dollar those people have reached the point where they are compelled to appeal to the welfare agencies in order to provide the actual necessities of life.

Through no fault of their own, the purchasing power of the money which they had saved and accumulated has been destroyed by an administration which at the same time was shedding crocodile tears for them. They are the forgotten people of America.

During the past 2 years the decline in the value of the American dollar has been arrested. Last year showed a slight increase in the value of the dollar. For the first time in 20 years we have reversed the trend. I think it is very important that the Congress stand by the administration at this time and not enact the proposed tax reduction, which, as the Senator from Virginia has said, might well prove to be the spark to touch off another inflationary spiral.

The depreciation of the dollar by as little as one-half of 1 percent would wipe out all the benefits of the proposed \$2½ billion of tax relief. A government which undertakes to provide tax relief with borrowed money will ultimately end in bankruptcy.

Mr. President, as evidence that this tax reduction is not needed from an unemployment angle, I ask unanimous consent to have printed in the RECORD a table showing unemployment figures beginning with the year 1939 and continuing through 1953.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Unemployment figures as compiled by the Joint Committee on Internal Revenue Taxation from figures furnished to them by the Department of Commerce

[Thousands]			
Month	1948	1949	1950
January	2,065	2,664	4,480
February	2,639	3,221	4,684
March	2,440	3,167	4,122
April	2,193	3,016	3,515
May	1,761	3,289	3,057
June	2,184	3,778	3,384
July	2,227	4,065	3,213
August	1,941	3,689	2,500
September	1,899	3,351	2,341
October	1,642	3,576	1,940
November	1,831	3,409	2,240
December	1,941	3,489	2,229

	Yearly averages
1939	9,480,000
1940	8,120,000
1941	5,560,000
1942	2,660,000
1943	1,070,000
1944	670,000
1945	1,040,000
1946	2,270,000
1947	2,142,000
1948	2,064,000
1949	3,395,000
1950	3,142,000
1951	1,879,000
1952	1,673,000
1953	1,602,000

VISIT TO THE SENATE BY HON. W. C. WENTWORTH, A MEMBER OF THE AUSTRALIAN PARLIAMENT

Mr. KNOWLAND. Mr. President, I am very pleased to have as my guest on the floor of the Senate today Hon. W. C. Wentworth, a member of the Australian Parliament, whose constituency is in Sydney, Australia. [Applause.]

TAX RATE EXTENSION ACT OF 1955

The Senate resumed the consideration of the bill (H. R. 4259) to provide a 1-year extension of the existing corporate normal tax and of certain existing excise-tax rates, and to provide a \$20 credit against the individual income tax for each personal exemption.

Mr. LONG. Mr. President, it seems to me that a few remarks concerning statements made by the distinguished senior Senator from Delaware [Mr. WILLIAMS] are appropriate at this time, although for the most part I shall discuss the bill and express my views on it tomorrow.

In the first place, the senior Senator from Delaware mentioned the fact that income taxes were raised during Democratic administrations. Of course he is completely correct in saying that. Historically it has always been the Democratic Party that urged the enactment of income tax laws, because taxes, according to the view of the Democratic Party, should be based on ability to pay. It will be remembered that many years ago the Democratic Party urged the adoption of a constitutional amendment to make possible the levying of income taxes, and eventually the Democratic Party was successful.

I submit that an income tax on individuals and corporations is undoubtedly

one of the fairest means of collecting taxes. Certainly it became the major way of raising revenue in this country.

It is unfortunate that in raising great revenue it is necessary to reduce exemptions, and it is true that during World War II the exemptions were reduced to as low as \$500 for each person. Although I was not a Member of the Senate when that was done, it was explained on the floor that it was the intention that the exemption should be raised immediately after the war was over.

After the war, there was an opportunity to reduce taxes. At that time we had a Republican Congress. The Democrats, both in the House and in the Senate, urged that in reducing taxes Congress should keep its pledge, and see to it that those who are denied the sustenance of life, who in effect have the very bread taken out of their mouths by burdensome taxation, should have the first relief.

I do not have before me the full House record, but I believe it will parallel the record made in the Senate.

The Senate had before it H. R. 1, a measure to reduce taxes on incomes. When that measure was before the Senate the then Senator Lucas of Illinois moved that the exemption be raised from \$500 to \$600, and that provision be made to permit family-income splitting to reduce surtax rates by 2 percent, and to postpone the effective date of the bill to January 1, 1948.

On that vote 27 Democrats, or 73 percent of the Democrats present, voted for the amendment, and 11 Democrats, or 27 percent, voted against the amendment. One Republican, the Senator from North Dakota [Mr. LANGER], voted for the amendment. All other Republicans, 47 of them, or 98 percent of the Republican Senators present in the Senate at that time, voted against the amendment. This record will be found as vote No. 72, CONGRESSIONAL RECORD, volume 93, part 5, page 5925.

When that amendment was defeated, the Senator from Arkansas [Mr. McCLELLAN], offered an amendment to increase the exemptions of single persons from \$500 to \$750, and to raise the exemptions for married couples from \$1,000 to \$1,500.

How did the Senate vote on that amendment?

Twenty-three Democrats, or 77 percent of the Democratic Senators present, voted for the McClellan amendment, and 7 Democratic Senators, or 23 percent, voted against it.

On the Republican side of the aisle, 4 Republican Senators, Senators Ferguson, Langer, Wilson, and Young, voted for the amendment, and 37 Republican Senators voted against the amendment.

H. R. 1 was passed by a vote of 52 to 34, with 9 Senators not voting. Seven Democrats, or 18 percent, voted for the bill, and 32 Democratic Senators, or 82 percent, voted against it.

Forty-five Republican Senators, or 96 percent, voted for the bill, and 2 Republicans voted against it.

For the most part, if I understand what the issue was at that time, there was severe criticism that the bill did not adequately take care of the ordinary

working people, those in the low-income brackets, who needed the additional purchasing power with which to buy the necessities of life.

I am sure the Senator from Delaware will recall that he voted against raising the exemptions and voted to pass the bill reducing taxes at that time by several billion dollars.

That bill was vetoed by the President of the United States. The bill went to the House of Representatives, and the House sustained the veto of the President.

Another bill was introduced. That bill again provided for a 20-percent reduction on incomes between \$1,400 and \$137,000; a 15-percent reduction on incomes in excess of \$137,000, but not in excess of \$302,400; a 10½-percent reduction from \$302,400 on up; and certain additional tax reductions for those over 65 years of age.

That bill was passed by the House of Representatives. In the Senate an amendment was offered to increase the exemptions. The Senator from Arkansas [Mr. McCLELLAN] offered an amendment to increase the exemption from \$500 to \$600 for single persons, and from \$1,000 to \$1,200 for married couples.

That amendment was defeated, 43 yeas, 47 nays, 5 not voting. In that instance 37 Democrats voted for raising the exemption, 9 Democrats voted against it; 10 Republicans voted for it, and 38 Republicans voted against it.

That bill was vetoed, and my understanding is that the President vetoed it for two reasons: First, that the Government needed the revenue; and, second, that it did not adequately provide for persons in the lower income brackets. Once again the President's veto was sustained by a vote of 57 yeas and 36 nays.

Mr. President, only after the Democrats had successfully sustained the President's veto on two occasions, the argument being in each case that there was not adequate consideration for those in the lower income brackets, did the Republican leadership in the House of Representatives finally introduce a bill which would raise exemptions from \$500 to \$600. Even then it is my understanding that the Democrats in the House once again tried to increase the exemption, and the Republicans voted almost solidly against increasing it.

Since World War II, the Democrats have a consistent record of trying to give relief to those in the low-income brackets. It was consistent in the last Congress, because once again the Democrats joined together in supporting an amendment which, instead of giving tax relief on corporation dividends, offered relief to persons in the low-income brackets. In that instance 95 percent of the Democrats supported it. I believe only 2 Democrats voted against the amendment offered by the distinguished ranking Democratic member of the committee [Mr. GEORGE]. The others voted for the amendment which would have substituted relief for those in the low-income brackets in terms of either a tax credit or a provision whereby there would be an increase in the exemption of approximately \$100.

On that occasion, the Republicans joined in supporting an amendment to

cut by one-half the relief urged by the Democrats. Their amendment failed in an almost solid party vote. Thereupon more than 90 percent of the Republicans voted against the George amendment which would have increased the exemption by \$100.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield at that point?

Mr. LONG. I shall be glad to yield in a moment.

I see the distinguished Senator from North Dakota [Mr. LANGER] is present. I do not want him to misunderstand me when I speak of the Republicans voting almost solidly against raising the exemption. I know that on every occasion the able Senator from North Dakota voted in favor of raising the exemption. That is why, in speaking on the border of the State of North Dakota, I said last year that the Senator from North Dakota should be a Democrat because he voted like a Democrat so many times.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I shall be happy to yield to the Senator.

Mr. LANGER. I am an Abraham Lincoln-Theodore Roosevelt-George Norris Republican, and I am doing my very best to reform the Republican Party from the inside. I am trying to get them to think the Abraham Lincoln way and the way of the other distinguished men whom I have named. I think I shall finally get President Eisenhower to do some of that same thinking. I would not be surprised if the distinguished Senator from Delaware [Mr. WILLIAMS] might revise his thinking. I have known him a long time. He is one of those very fine men from the State of Delaware of which we are so proud. I am sure that if the distinguished Senator from Louisiana will take a little time, he may convert the Senator from Delaware.

Mr. LONG. I hope I shall not have to wait as long for the Republican Party to follow the point of view of the distinguished Senator from North Dakota as he has waited. The Senator from North Dakota has not left the Republican Party; that party has time and again left him, because it abandoned the principles to which he is dedicated.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. WILLIAMS. The Senator from Louisiana referred to the Johnson amendment. I wonder if he would yield at this time so that I may incorporate in the RECORD the vote on the amendment.

Mr. LONG. I shall be glad to have it placed in the RECORD.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the vote on the Johnson amendment and on the Monroney amendment.

There being no objection, the votes were ordered to be printed in the RECORD, as follows:

VOTE NO. 173—83D CONGRESS, 2D SESSION
(CONGRESSIONAL RECORD, volume 100, part 7, page 9468)

Subject: H. R. 8300, tax revision bill. Johnson amendment, calling for a study of

the question as to inclusion of dividends in gross income.

Synopsis: The amendment introduced by Senator Johnson of Colorado had as its purpose to strike from the bill the section (section 34) extending tax relief to apply on dividends to individuals, and to substitute in place thereof a provision directing the Secretary of the Treasury to make a study of questions involving the inclusion in gross income of dividends received by individuals and to report thereon to the next Congress, in January 1955.

Proponents of the Johnson amendment argued that as the Senate had refused to grant the kind of income-tax relief proposed in the Millikin and George amendments (see Vote Nos. 171 and 172), it would be inconsistent to grant tax relief on dividends at this time, and that, instead, it would be desirable to have a complete study made of the question during the time elapsing between enactment of the bill by this Congress and the convening of the next Congress. Proponents contended that the dividend section of the bill unfairly favored about 6 percent of the taxpayers and discriminated against about 94 percent.

Opponents of the Johnson amendment offered no arguments. However, in the course of the discussion, some defense of the tax relief provided in the dividend section was implied by references to "double taxation." It was said that a tax on stock dividends received by a taxpayer was "double taxation" because the company paying the dividend had previously paid a tax on the same earnings.

Action: Johnson amendment was passed. The result was announced—yeas 71, nays 13, as follows:

Yeas—71: Aiken, *Anderson, Barrett, Beall, Bowring, Bricker, *Burke, Butler of Maryland, *Byrd, Capehart, Carlson, Case, *Chavez, *Clements, Cordon, Crippa, *Daniel, Dirksen, *Douglas, Dworshak, *Ervin, Ferguson, *Frear, *Fulbright, *George, *Gore, *Green, Hendrickson, *Hill, *Holland, *Humphrey, Ives, *Jackson, *Johnson of Colorado, *Johnson of Texas, *Kefauver, *Kennedy, *Kilgore, Knowland, Kuchel, Langer, *Lehman, *Lennon, *Magnuson, *Mansfield, *Maybank, *McCarran, Millikin, *Monroney, *Morse, Mundt, *Murray, *Neely, *Pastore, Payne, Potter, Purtell, *Robertson, *Russell, Saltonstall, Schoeppel, *Smathers, Smith of Maine, Smith of New Jersey, *Sparkman, *Stennis, Thye, Watkins, Welker, Williams, Young.

Nays—13: Bennett, Bridges, Bush, Cooper, Flanders, *Gillette, Goldwater, *Hayden, Hickenlooper, *Long, Malone, Martin, Upton.

Not voting—12: Butler of Nebraska, Duff, *Eastland, *Ellender, *Hennings, Jenner, *Johnston of South Carolina, *Kerr, McCarthy, *McClellan, *Symington, Wiley.

Analysis of vote			
	Republicans	Democrats	Independent
Yeas (71).....	33	37	1
Nays (13).....	10	3	0
Not voting (12).....	5	7	0
Total.....	48	47	1
Positions of Senators not voting:			
Not paired—Position "yea".....	11	7	—
Not paired—No position.....	24	0	—

Absent:
Official business: Duff, Eastland, Ellender, Hennings, Johnston (S. C.), Kerr, McClellan, Symington.
Necessarily absent: Jenner, McCarthy, Wiley.
Illness: Butler (Nebr.).
1 Duff.
2 Eastland, Ellender, Hennings, Johnston (S. C.), Kerr, McClellan, Symington.
3 Butler (Nebr.), Jenner, McCarthy, Wiley.

VOTE NO. 179—83D CONGRESS, 2D SESSION
(CONGRESSIONAL RECORD, volume 100, part 7, page 9618)

Subject: H. R. 8300, tax revision bill. Monroney amendment, which would strike out all proposed tax revisions and extend the 52-percent corporate tax for 1 year.

Synopsis: The Monroney amendment would change the title of H. R. 8300 to refer only to extension of the tax on corporation income. The amendment would be in the nature of a substitute for the bill as reported.

The arguments on the amendment, pro and con, were identical with the arguments offered relative to passage of the bill itself. (See synopsis of Vote No. 180.)

Action: Monroney amendment was rejected.

The result was announced—yeas 15, nays 58, as follows:

Yeas—15: *Chavez, *Fulbright, *Gore, *Jackson, *Johnson of Colorado, *Magnuson, *Mansfield, *McCarran, *Monroney, *Morse, *Murray, *Russell, *Sparkman, *Stennis, Williams.

Nays—58: Aiken, *Anderson, Barrett, Beall, Bennett, Bowring, Bricker, Bridges, *Burke, Bush, Butler, Capehart, Carlson, Case, *Clements, Cooper, Cordon, Crippa, *Daniel, Dirksen, *Douglas, Duff, Dworshak, *Ervin, Ferguson, *Frear, *George, Goldwater, *Hayden, Hendrickson, Hickenlooper, *Holland, *Humphrey, Ives, *Johnson of Texas, *Kennedy, Knowland, Kuchel, Langer, *Long, Malone, Martin, Millikin, Mundt, *Neely, *Pastore, Payne, Potter, Purtell, Schoeppel, *Smathers, Smith of Maine, *Symington, Thye, Upton, Watkins, Welker, Young.

Not voting—22: *Byrd, *Eastland, *Ellender, Flanders, *Gillette, *Green, *Hennings, *Hill, Jenner, *Johnston of South Carolina, *Kefauver, *Kerr, *Kilgore, *Lehman, *Lennon, *Maybank, McCarthy, *McClellan, *Robertson, Saltonstall, Smith of New Jersey, Wiley.

Analysis of vote			
	Republicans	Democrats	Independent
Yeas (15).....	1	13	1
Nays (58).....	40	18	0
Not voting (22).....	6	16	0
Total.....	47	47	1
Positions of Senators not voting:			
Not paired—"yea".....	0	12	—
Not paired—"nay".....	21	11	—
Not paired—Position "yea".....	0	2	—
Not paired—Position "nay".....	23	0	—
Not paired—No position.....	42	11	—

Absent:
Leave of Senate: Maybank.
Official business: Byrd, Eastland, Ellender, Gillette, Green, Hennings, Hill, Johnston (S. C.), Kefauver, Kerr, Kilgore, Lehman, Lennon, McClellan, Robertson.
Necessarily absent: Flanders, Jenner, McCarthy, Saltonstall, Smith (N. J.), Wiley.
1 Maybank, Robertson.
2 Saltonstall.
3 Ellender.
4 Byrd, Hennings.
5 Flanders, Jenner, Smith (N. J.).
6 McCarthy, Wiley.
7 Eastland, Gillette, Green, Hill, Johnston (S. C.), Kefauver, Kerr, Kilgore, Lehman, Lennon, McClellan.

Mr. WILLIAMS. Mr. President, I may say that the Senator from Louisiana voted against striking out the dividend provisions.

Mr. LONG. I certainly did; and I also voted against striking the accelerated depreciation provisions. It is my position that I should like very well to see corporate stockholders have some relief and have accelerated depreciation, but if I am in a position where I must

favor the corporations or the people, I will favor the people. Of course, the Senator from Delaware had an opportunity to vote the same way. He did vote to strike out the dividend provision, but he did not vote for any relief for the small taxpayers by increasing their exemptions. I regret that he did not agree with my position on that point.

Furthermore, in considering the tax bill this year, I was not anxious to extend the high rate of corporation tax. It was only because it was necessary to obtain revenue for the Government that I was willing to vote for a bill which extended the corporation tax rate. But in view of the fact that we did not give any relief to the average man, we had no right to be holding out a promise to the corporations of America that their taxes would be cut 10 percent next year. So I moved to strike out the provision that would cause the corporation tax to be reduced by 10 percent next year.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield further?

Mr. LONG. I yield.

Mr. WILLIAMS. During the discussion of the bill last year the Senator from Oklahoma [Mr. MONROE] offered an amendment proposing that the tax reduction be postponed until we balanced the budget. The Senator from Oklahoma's amendment struck out all tax-reduction features of the bill and provided for a simple extension of the corporation tax rates. His amendment was defeated by 15 votes. I supported that proposal, and thought it should have passed. The Senator from Louisiana differed with us on that point, and I respect his opinion. I certainly attribute to the Senator from Louisiana the same degree of sincerity which I hope he attributes to me. But it could not have been such a terrible bill, because the Senator supported it. So, do not attack it too strongly this afternoon. It could not have been such a vicious piece of legislation.

Mr. LONG. I do not attack last year's bill as being a vicious piece of legislation. I have stated that the Democrats have consistently tried to do something for the little people of the Nation. The only thing which was really wrong with last year's bill, the only thing I severely criticized, is that while it did so many things for corporations and business people—and I was glad to see most of those things done; I was delighted to see stockholders get special treatment and I was pleased to see something done about accelerated depreciation—nothing was done for the low-income people, except in a few instances. There were some little tidbits here and there, handed out to lower bracket taxpayers, such as the man who had a boy working his way through college, a retired aged person or a retired school teacher, to mention a few.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LANGER. Is it not true that that bill took care of babysitters?

Mr. LONG. No, I am sorry to say, it did not take care of babysitters. It

took care of the working mothers who hired babysitters.

If we Democrats had had our way, the bill would also have taken care of babysitters. But, unfortunately, we did not prevail, and we could not take care of babysitters.

The babysitters did not get relief, but the working mothers got a little relief if they were in a position to hire babysitters.

Mr. WILLIAMS. Mr. President, I wish to make one comment, to get the RECORD straight.

I point out for the RECORD that the exemptions were reduced from \$1,000 to \$750 under Democratic administrations prior to 1941. At that time the then President was campaigning on the platform that there was absolutely no threat of war; therefore, it cannot be claimed that the exemptions were reduced as a result of rearmament for war.

The exemptions were reduced by the Democratic Party during the peacetime years as well as during the war years.

Likewise, the rate was raised from 4 percent to 10 percent on the lowest tax bracket before World War II and from the 10 percent rate to 22 percent after the outbreak of war. A continuous increase in taxes in peace and war has been the policy of the past Democratic administrations. Unbalanced budgets have been ignored as the New Deal, Fair Deal politicians danced to the tune of taxes, spend, and elect.

Mr. LONG. Mr. President, stating my own opinion, I believe the record of the Democratic Party speaks for itself. So far as doing what could be done within the limits of the Government's situation, and providing for the average person and giving him every consideration possible, I believe the Democratic record is a very good one.

I believe I have demonstrated that the record of the Democratic Party during recent Congresses is good, in looking after the average workingman and other persons in average walk of life.

Point for point, issue for issue, that record will stand up to any criticism, scrutiny, or comparison.

At this time I do not wish to delve many years back into history, because I do not have available all the issues which were raised at the time the income-tax law was passed or at the time exemptions were lowered.

RECESS

Mr. LONG. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 54 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 11, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 10, 1955:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 2 to class 1:

John K. Emmerson, of Colorado.
Edward S. Maney, of Texas.

Gordon H. Mattison, of Ohio.

George A. Morgan, of the District of Columbia.

Woodruff Wallner, of New York.

George H. Emery, of North Carolina, for appointment as a Foreign Service officer of class 1, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 3 to class 2:

R. Austin Acly, of Massachusetts.

N. Spencer Barnes, of California.

Leo J. Callanan, of Massachusetts.

Sterling J. Cottrell, of California.

Robert C. Creel, of New York.

Fulton Freeman, of California.

Edward L. Freers, of California.

Richard D. Gatewood, of California.

Wesley C. Haralson, of Virginia.

Landreth M. Harrison, of Minnesota.

Owen T. Jones, of Ohio.

Sidney K. Lafoon, of Virginia.

John M. McSweeney, of Massachusetts.

John Ordway, of the District of Columbia.

Walter W. Orebaugh, of Oregon.

John M. Steeves, of the District of Columbia.

Robert C. Strong, of Wisconsin.

Alfred T. Wellborn, of Louisiana.

H. Bartlett Wells, of New Jersey.

Eric C. Wendelin, of Massachusetts.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Bernhard G. Bechhoefer, of the District of Columbia.

William I. Cargo, of Maryland.

Sam P. Gilstrap, of Oklahoma.

John W. Jago, of California.

Charles H. Mace, of Ohio.

Alfred Puhon, of Wisconsin.

Joseph W. Scott, of Texas.

Richard S. Wheeler, of Michigan.

William D. Wright, of the District of Columbia.

Gerald Warner, of Massachusetts, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named Foreign Service officers for promotion from class 4 to class 3:

James M. Byrne, of New York.

Keld Christensen, of Iowa.

Clyde L. Clark, of Iowa.

Merritt N. Cootes, of Virginia.

Roy T. Davis, Jr., of Maryland.

Juan de Zengotita, of Pennsylvania.

Donald P. Downs, of Nevada.

Philip F. Dur, of Massachusetts.

James R. Gustin, of Wisconsin.

David H. Henry, 2d, of New York.

William P. Hudson, of North Carolina.

William E. Knight, 2d, of Connecticut.

Roswell D. McClelland, of Connecticut.

William D. Moreland, Jr., of Oregon.

Clinton L. Olson, of California.

Norman K. Pratt, of Pennsylvania.

Robert Rossow, Jr., of Indiana.

John H. Stutesman, Jr., of New Jersey.

Cyril L. F. Thiel, of Illinois.

Edward L. Waggoner, of Ohio.

Joseph J. Wagner, of New York.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

George H. Alexander, of Maryland.

Morton Bach, of Minnesota.

Edward P. Dobyns, of Virginia.

Bryan R. Frisbie, of Arizona.

Robert A. Hancock, of Michigan.

John E. Hargrove, of Mississippi.

Marshall P. Jones, of Maryland.

Warren H. McKenney, of Florida.

Robert M. Marr, of Ohio.

Howard Meyers, of Maryland.

Trevelyan H. E. Nesbitt, of Maryland.
Nils William Olsson, of Illinois.
Nestor C. Ortiz, of Virginia.
Lawrence A. Phillips, of Maryland.
Arthur J. Waterman, Jr., of Virginia.

The following-named Foreign Service officers for promotion from class 5 to class 4:
Robert B. Dreessen, of Missouri.
Harry F. Pfeiffer, Jr., of Maryland.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Theo C. Adams, of Texas.
Willard Allan, of Colorado.
John Q. Blodgett, of the District of Columbia.
Archer K. Blood, of Virginia.
Robert W. Dean, of Illinois.
Richard H. Donald, of Connecticut.
Adolph Dubs, of Illinois.
John W. Fisher, of Montana.
Wayne W. Fisher, of Iowa.
John I. Getz, of Illinois.
Robert S. Henderson, of New Jersey.
Edward W. Holmes, of Washington.
Thomas D. Kingsley, of Maryland.
Herbert B. Leggett, of Ohio.
Edward V. Lindberg, of New York.
Edward T. Long, of Illinois.
James A. May, of California.
Cleo A. Noel, Jr., of Missouri.
LeRoy F. Percival, Jr., of Connecticut.
Jordan T. Rogers, of South Carolina.
John A. Sabini, of the District of Columbia.

Dwight E. Scarbrough, of Minnesota.
John P. Shaw, of Minnesota.
Francis T. Underhill, Jr., of New Jersey.
Milton C. Walstrom, of the Territory of Hawaii.

Park F. Wollan, of California.
Parker D. Wyman, of Illinois.
Sam L. Yates, Jr., of California.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Paul C. Campbell, of Pennsylvania.
Roger P. Carlson, of Minnesota.
Antonio Certosimo, of California.
Asa L. Evans, of South Carolina.
Mrs. Florence H. Finne, of California.
Harry George French, of Wisconsin.
Harrison M. Holland, of Washington.
William S. Krason, of New York.
Frederick D. Leatherman, of Ohio.
Allen F. Manning, of Maryland.
Ralph J. Ribble, of Texas.
Charles M. Rice, Jr., of Montana.
Robert M. Schneider, of Iowa.
Peter J. Skoufis, of Maine.
Harry R. Stritman, of California.
The following-named Foreign Service officers for promotion from class 6 to class 5:
Richard H. Adams, of Texas.
William G. Allen, of Vermont.
Robert J. Ballantyne, of Massachusetts.
William R. Beckett, of Michigan.
William D. Broderick, of Michigan.
North C. Burn, of Washington.
Alan L. Campbell, Jr., of North Carolina.
Frederic L. Chapin, of the District of Columbia.

Maxwell Chaplin, of California.
Edward R. Cheney, of Vermont.
James D. Crane, of Virginia.
Franklin J. Crawford, of Ohio.
John E. Cunningham, of Pennsylvania.
David Dean, of New York.
François M. Dickman, of Wyoming.
James B. Freeman, of Ohio.
Alexander S. C. Fuller, of Connecticut.
James Robert Greene, of California.
Herbert M. Hutchinson, of New Jersey.
Kempton B. Jenkins, of the District of Columbia.
Richard E. Johnson, of Illinois.
George R. Kenney, of Illinois.

Lucien L. Kinsolving, of New York.
John F. Knowles, of New Jersey.
Henry Lee, Jr., of Massachusetts.
William W. Leheldt, of California.
Harry R. Melone, Jr., of New York.
Thomas N. Metcalf, Jr., of Massachusetts.
George C. Moore, of California.
Benjamin R. Moser, of Virginia.
Harvey F. Nelson, Jr., of California.
Richard D. Nethercut, of Wisconsin.
G. Edward Reynolds, of New York.
Ralph W. Richardson, of California.
William E. Schauffele, Jr., of Ohio.
Kennedy B. Schmertz, of Pennsylvania.
Talcott W. Seelye, of Massachusetts.
William C. Sherman, of Illinois.
Robert K. Sherwood, of Nebraska.
Christopher A. Squire, of Virginia.
Heywood H. Stackhouse, of Virginia.
William W. Thomas, Jr., of North Carolina.
Lewis R. Townsend, of New Jersey.
Charles L. Widney, Jr., of Tennessee.
Frank S. Wile, of Michigan.
William D. Wolfe, of Iowa.
Chester R. Yowell, of Missouri.

The following-named persons for appointment as Foreign Service officers of class 5, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert Anderson, of Massachusetts.
Miss Mildred J. Baer, of Maryland.
Miss Edna H. Barr, of Ohio.
Miss Dorothy V. Broussard, of Texas.
M. Lee Cotterman, of Ohio.
Ray H. Crane, of Utah.
A. Hugh Douglas, Jr., of Rhode Island.
Elden B. Erickson, of Kansas.
Richard V. Fischer, of Minnesota.
Ralph C. Fratzke, of Iowa.
John H. Hermanson, of Massachusetts.
Miss Olive M. Jensen, of Iowa.
Richard N. Kirby, of Ohio.
Nicholas S. Lakas, of Connecticut.
Kenneth W. Linde, of Connecticut.
Charles G. Mueller, of Montana.
Virgil E. Pritchard, of Oklahoma.
Joseph H. Quintanilla, of Texas.
Miss Martha Jean Richardson, of Illinois.
Robert F. Slutz, Jr., of Maryland.
Miss Violet Smith, of New York.
Miss LaVerne L. Thomsen, of Washington.
Paul E. Woodward, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert J. Allen, Jr., of the District of Columbia.
Harvey J. Cash, of Texas.
Brewster R. Hemenway, of New York.
Adolph W. Jones, of Tennessee.
William H. McLean, of Kentucky.
Paul J. Plenni, of West Virginia.
Miss Elizabeth J. Rex, of Pennsylvania.
Miss Betty A. Robertson, of Pennsylvania.
Carl G. Seasword, Jr., of Michigan.
Miss Alice M. Smith, of North Carolina.
Nicholas A. Vellotes, of California.

The following-named Foreign Service Staff officers to be consuls of the United States of America:

John A. Birch, of Maryland.
Gordon Dale King, of Texas.
James P. Parker, of Connecticut.

UNITED STATES TARIFF COMMISSION

James Weldon Jones, of Texas, to be a member of the United States Tariff Commission for the remainder of the term expiring June 16, 1957, vice Oscar B. Ryder.

CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Gerald R. Corbett, of Hawaii, to be sixth judge of the first circuit, circuit courts, Territory of Hawaii. He is now serving in this post under an appointment which expired September 19, 1954.

UNITED STATES MARSHAL

James F. Brophy, of Georgia, to be United States marshal for the southern district of Georgia, vice Joseph H. Young, term expired.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 10, 1955

The House met at 12 o'clock noon.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, source of wisdom and power, we are daily beseeching Thee to direct and prosper us in our programs of legislation.

Deepen within us a sense of our responsibility to protect and promote the safety, the honor, and welfare of our beloved country and all freedom-loving people.

Wilt Thou be especially favorable unto our ambassadors and representatives who have been placed in positions of counsel and diplomacy.

May they carry on their negotiations with the leaders of other nations so wisely and faithfully that peace and concord shall be established and maintained.

Inspire the Members of Congress and all our citizens with the spirit of patience and self-restraint and may we seek to excel in the practice of friendship and fraternity, of good will and love.

Grant that our faith in Thy divine justice and righteousness may never become eclipsed by fear for Thou canst crush the mightiest forces of evil and bring to naught the most subtle devices and designs of our enemies.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of Tuesday, March 8, 1955, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on March 2, 1955, the President approved and signed a bill of the House of the following title:

H. R. 3828. An act to adjust the salaries of judges of the United States courts, United States attorneys, Members of Congress, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 829. An act to authorize personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, games of the XVI Olympiad, future pan-American games and Olympic games, and certain other international amateur sports competitions, and for other purposes;

S. 941. An act to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase

certain remaining assets of the Federal Farm Mortgage Corporation;

S. 942. An act to repeal Public Law 820, 80th Congress (82 Stat. 1098), entitled "An act to provide a revolving fund for the purchase of agricultural commodities and raw materials to be processed in occupied areas and sold"; and

S. 1051. An act to amend section 8a (4) of the Commodity Exchange Act, as amended.

EXCISE TAX ON GASOLINE USED IN FARM EQUIPMENT

Mr. DENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, I have today introduced a bill which would amend the Internal Revenue Code to permit farmers to recover from the Federal Government the 2-cents-per-gallon excise tax that they now pay on all gasoline used in propelling and operating their farm equipment. In the State of Indiana, we permit farmers to recover State tax on gasoline used for farming purposes, and this has worked out very satisfactorily.

The original purpose of the gasoline tax was to require the people who use the roads to pay for their improvement and upkeep. Practically all highway vehicles are motor-propelled at the present time, and the gasoline tax is a practical means of accomplishing this purpose.

When the gasoline tax was first enacted, farmers were not nearly as mechanized as they are today. But now farmers use a great variety of motor-driven equipment, and, in buying gasoline to operate this equipment, they are obliged to pay taxes on this fuel just as though their equipment were to be used on the highways, which it is not. Farmers' crop-raising equipment should not have to bear this special tax intended to be borne by highway vehicles.

I believe my bill is a very fair one, and I hope the House will support it.

UNITED STATES SHOULD SPEAK UP FOR UNIFICATION OF IRELAND

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, as long as Great Britain maintains its control over the six conquered provinces of northern Ireland, the indictment charging her with aggressive imperialism still stands.

And the United States, by failing to use its good offices to bring about an end of partition, is viewed as condoning this injustice toward the Irish Republic and the Irish people.

On this issue there can be no compromise.

All Ireland belongs to the Irish.

In pursuance of this, and in order to clarify the position of the United States Government, I wish to make public the following letter which I have addressed to our State Department:

MARCH 10, 1955.

HON. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: In behalf of 20 million Americans with Irish blood in their veins, I ask for a definite policy statement by the United States Government in support of the unification of Ireland.

The United States House of Representatives passed a resolution favoring a free and undivided Ireland in 1919, House Joint Resolution 357.

Silence on the part of the executive branch of the Government has failed to express the representative opinion of the American people, and their traditional faith in the principle of self-determination.

The Irish people have steadfastly asked for a plebiscite which the British Government has steadfastly refused.

This lingering imperialism on the part of the British puts us in the contradictory position of supporting colonialism, as long as we fail to speak up against it.

Therefore, I believe that the Government of the United States should declare itself as morally opposed to the continuing partition of Ireland, and should enter into diplomatic negotiations with the British Government that will bring about the unification of Ireland without further delay.

A clear majority of the American people support this in principle, and want it implemented in practice.

In their name, I ask you for a definite foreign policy statement on the Irish question, and for assurances that our Government will work unremittingly for the inclusion of all 32 counties within the sovereignty of the Irish Republic.

Trusting in your prompt and unequivocal support of unification for Ireland, I am

Sincerely yours,

THOMAS J. LANE,
Member of Congress.

FORTY-THIRD ANNIVERSARY OF THE FOUNDING OF THE GIRL SCOUTS OF AMERICA

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, it gives me pleasure to invite to the attention of this distinguished body the fact that Saturday, March 12, marks the 43d anniversary of the founding of the Girl Scouts of the United States of America.

Just 43 years ago Saturday, this great organization was founded in Savannah, Ga., by the late Juliette Gordon Low. Today the Girl Scouts of America number more than 2,300,000 in membership whose good work benefits every State in this Union.

It gives me pleasure to report that the birthplace of the founder of the Girl Scouts in Savannah, Ga., is to be remodeled as a memorial to this great woman who initiated the Girl Scout movement. The old Gordon home will serve as a museum of Girl Scout history and also as a center where new and

dynamic program activities of the Girl Scouts will be developed.

In the Girl Scout theme for 1955, "Believe, belong, build," we find a graphic expression of the ideals of this great sisterhood which I know you join with me in expressing fond good wishes for the continued progress and development of their splendid work.

FORTY-THIRD ANNIVERSARY OF THE FOUNDING OF THE GIRL SCOUTS OF AMERICA

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Speaker, I wish to congratulate the Girl Scouts of America upon the splendid service this organization has rendered during its 43 years' existence. I wish to pay tribute, not only to the 8,000 Girl Scouts of Arkansas, but to all Girl Scouts and to those loyal adults who give so generously of their time to guide and direct the organization's program of activities.

March 12 is the anniversary of the day in 1912 when Juliette Gordon Low called together the little group of girls in Savannah, Ga., who formed the first Girl Scout troop. Mrs. Low profited by her experience in Scotland, having given much of her time as a leader of a Guide company in a small Scottish village. She taught the girls to raise poultry, spin and weave, and found markets for their homespun. Before sailing to the United States in 1912 she cabled her family as follows: "I am bringing home the biggest thing yet."

Mrs. Low's ideas were accepted—others caught the spark, and in June 1913, the first national Girl Scout headquarters was opened. In June 1915 the Girl Scout organization was incorporated. The first Girl Scout handbook was called *How Girls Can Help Their Country*.

Since that eventful day, March 12, 1912, a constantly increasing number of girls all over these 48 States—now numbering millions—have repeated the Girl Scout promise:

On my honor, I will try to do my duty to God and my country, to help other people at all times, to obey the Girl Scout laws.

From the time they are 7 years old, Girl Scouts are taught that American citizenship involves duties and privileges; that at 7 they are not too young to become active citizens. Many continue membership for 10 years. I am certain these girls become immeasurably useful to our country no matter what threats, political problems, or crises arise.

A Girl Scout's training is based on respect and love of country, and she is taught that the flag of her country is a spiritual symbol. She learns its significance. A Girl Scout's pride in her community is expressed in action. The groups' sponsoring bodies are community organizations. Their administrative councils, sustaining committees, and

consultants, as well as troop leaders, are all composed of representative citizens of the community.

In turn, community service absorbs much of the time of Girl Scouts; it is part of their reason for being. Scouting exists by and for the community.

It is encouraging to know, in these times when cases of juvenile delinquency appear too often in our headlines, that the program of the Girl Scouts of America is successfully contributing to the sound growth of youth today. But as I interpret its literature, the Girl Scout movement does not undertake to serve as a substitute for home, church, or school. It is a contributing element in a girl's life.

As Longfellow sagely remarked, "Youth comes but once in a lifetime." Some have said it is our most precious possession. The whole world is ahead: life is new, adventurous, and filled with great opportunities. To find and grasp life's most precious opportunities demands guidance. Girl Scouting offers to help guide our women of tomorrow into a fourfold life—where love, worship, work, and play are equally developed. The Girl Scout program represents a stake in the future of America.

Happy birthday, young ladies, and Godspeed.

FARM INCOME

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the Wall Street Journal this morning reports that hogs sold yesterday at the lowest price for which they have sold during the last 5 years.

Department of Agriculture reports show that farm prices were lower in proportion to farmers' costs in December than at any time in the last 13 years.

Farm parity dropped from 92 percent in January 1954 to 86 percent in January 1955.

And in the past 2 years the farmer's net worth, including his investment in land, equipment, livestock and money in the bank, has dropped \$20 billion. During the same time the value of stocks on the New York Exchange has risen to the highest level in the history of the Exchange.

Taxes on farmland are higher today than they have been at any time since Columbus discovered America and still the Missouri State Board of Equalization is adding \$2 million more to land taxes in Missouri for 1955, after the drought has left entire farms barren in many sections of the State.

Both taxes and interest are being increased and Drew Pearson in commenting in yesterday's newspapers on Secretary Benson's increase of the interest on farm and home administration loans, says that the to-heck-with-the-farmer recommendations of the Hoover Commission indicate that "the farmer can

now look forward to a new kind of drought—a credit drought."

Everybody else is enjoying unprecedented prosperity. Never before were prices so high and profits so great. Never before were wages so high and dividends so large. In every city, incomes are at the peak. While farm income has been dropping, city incomes have been increasing. Everybody is getting more money than they were getting when the farmer was getting \$30 for hogs and \$35 for cattle and top prices for poultry and dairy products.

The Association of American Railroads reports the January earnings of the railroads for January 1955 were double their earnings for January 1954.

General Motors' profits for the first half of 1954 jumped 36 percent over the same period for the previous year.

The Federal Reserve banks' net income totaled 37 percent more for 1954 than for the preceding year.

Dupont reports that in the first half of 1954 it earned 33 percent more than in the first half of 1953.

The Bell Telephone and the General Electric reported last week increased dividends over former years.

But on the farm it takes twice the number of hogs to buy a tractor. It takes three times the number of fat hens to buy a pair of shoes.

The railroads have increased freight rates on wheat and hogs ten times in the last ten years. Hogs and wheat have gone down and freight charges have gone up.

The cost of automobiles and trucks has almost doubled in the last ten years.

The Missouri utilities are this month demanding a new contract with REA under which the wholesale cost to the farmer's REA is increased from 6.4 to 10.3—practically twice the present rate at a time when electricity is being produced cheaper than ever before.

Telephone and interest and chemical charges are the highest on record. Everybody is charging the farmer more and more, and the income from which he must pay is steadily falling.

Everybody is trying to ride the free horse to death.

And the consumer is not getting the benefit of the farmer's loss. Every day somebody is telling the city consumer that he is being robbed by the farmer. In the last session of Congress Chairman CLIFFORD HOPE, of Kansas, after an exhaustive investigation, reported that much of the time the cost of living was rising while the farmer's prices were falling.

And the Kansas City Star in its issue of August 2, 1954, reported that while the price of wheat went down 32 percent, the price of bread advanced 23 percent, and that when the farmers supplying milk to Chicago got 8 cents a quart the housewife paid 25 cents a quart.

Workers don't win when farmers lose. Farmers are being driven off the farms to the city where they congest the labor market. And when they stay on the farm they cannot buy labor's products. Unemployment as of March 10, 1955, was in excess of 4½ million and was still rising. Lower farm income, lower farm prices, lower farm buying power, less

sales of factory-made goods, less business for merchants, and less employment and less wages for factory labor.

But look ahead. The excess of births over deaths is now running at the rate of 2,600,000 a year. According to the census reports that means 7,000 more people to feed every morning of the year. If the farmers are driven off the farms who will feed these people 10 years from now—or 5 years from now?

Mr. Speaker, we are not so much interested in who is responsible for this situation. We are not so much concerned about who is bringing poverty to the farm or why they do it or how they do it. The one thing we want to know is how to remedy the situation. How to bring back to the farmer the great prosperity he enjoyed for so long. How to bring back to the merchant the business he received from the farmer those golden years. How to bring back to labor full employment and fair wages received from farm patronage. For the farm and the factory—the shop and the stockyard—the labor union and the farm organization—have a common cause. Both are exploited by the same predatory interests—who want cheap food for cheap labor. The farmer is labor's customer. And when labor receives fair wages, that means fair prices for farm products. Merchants cannot sell to the farmer when his money is gone. And labor cannot buy eggs and bacon when out of a job.

It is a matter of gratification that the Committee on Agriculture is reporting out a bill this month, which takes care of both farmer and consumer. We must end poverty on the farm and unemployment in the city.

COMMITTEE ON APPROPRIATIONS

Mr. GARY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a privileged report on the Treasury-Post Office appropriation bill, 1956.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. JAMES reserved all points of order on the Treasury-Post Office appropriation bill, 1956.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the House Committee on Interior and Insular Affairs may be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

STATEMENT OF CHAIRMAN BUTLER, OF THE DEMOCRATIC NATIONAL COMMITTEE

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I was amazed that Chairman Butler, of the Democratic National Committee, would seize an influenza illness of the charming first lady, Mrs. Eisenhower, in his political propaganda. Certainly, it is a type of politics which will not meet with the approval of thinking Democrats or Republicans. Chairman Butler and the country will, I am sure, be pleased to know that Mrs. Eisenhower enjoys normal good health and her present influenza illness is only one which unfortunately has visited millions of our people. It is certainly poor taste to drag a temporary illness into the political offensive.

The incident reveals how worried is the Democratic high command over another Eisenhower candidacy.

AUTHORIZING PERSONNEL OF THE ARMED FORCES TO PARTICIPATE IN THE SECOND PAN-AMERICAN GAMES, THE SEVENTH OLYMPIC WINTER GAMES

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 829) to authorize personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, games of the XVI Olympiad, future pan-American games and Olympic games, and certain other international amateur sports competitions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Act of July 1, 1947 (Public Law 159, 80th Cong.; 61 Stat. 243), is hereby amended to read as follows: "That as used in this act, the term 'Secretary' means the Secretary of Defense, and, with respect to the Coast Guard when it is not operating as a part of the Navy, the Secretary of the Treasury, as the case may be.

"Sec. 2. (a) The Secretary concerned is authorized (1) to permit personnel of the Armed Forces to train for, attend, and participate in the second pan-American games, the seventh Olympic winter games, the games of the XVI Olympiad, future pan-American games and Olympic games, and (2) subject to the limitation contained in subsection (b) herein, to permit personnel of the Armed Forces to train for, attend, and participate in other international amateur sports competition not specified in (1) above, if the Secretary of State determines that the interests of the United States will be served by participation therein.

"(b) The Secretary of Defense shall, not later than 30 days prior to the commitment of personnel pursuant to the authority contained in subsection (a) (2) hereof, furnish to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the details of the proposed participation by personnel of the Armed Forces in international amateur sports competition.

"(c) Subject to the limitations contained in section 3 of this act, the Secretary con-

cerned may spend such funds and acquire and utilize such supplies, materiel, and equipment as he determines to be necessary to provide training of personnel of the Armed Forces for such games, to provide for their attendance at and participation in such games, and for training of animals of the Armed Forces for, and their attendance at and participation in, such games.

"Sec. 3. (a) There may be expended, for the participation of members of the Army, Navy, Air Force, and Marine Corps in the activities covered by this act, not more than \$800,000 during each 4-year period beginning on the date of enactment of this act, to be apportioned among the military departments as prescribed by the Secretary of Defense.

"(b) There may be expended, for the participation of members of the Coast Guard in the activities covered by this Act, not more than \$100,000 during each 4-year period beginning on the date of enactment of this act.

"(c) Appropriations available to the Department of Defense and the Department of the Treasury, as the case may be, may be utilized to carry out the purposes of this act.

"Sec. 4. Nothing in this act shall authorize the payment of allowances at rates in excess of those fixed for participation in other military or naval activities.

"Sec. 5. Notwithstanding any other provision of law, (a) no member of the uniformed services shall be entitled to the travel or transportation allowances authorized by section 303 of the Career Compensation Act of 1949, as amended, for any period during which his expenses for travel or transportation are being paid by the agency sponsoring his participation in the games and competitions authorized by this act, and (b) no member of the uniformed services without dependents shall be entitled to receive the basic allowances for subsistence and quarters authorized by sections 301 and 302 of the Career Compensation Act of 1949, as amended, for any period during which such member is subsisted and quartered by the agency sponsoring his participation in the games and competitions as authorized by this Act."

Mr. BROOKS of Louisiana. Mr. Speaker, H. R. 3014 was introduced in the House of Representatives by the Honorable JOHN W. McCORMACK, of Massachusetts, and a companion measure, S. 829, was introduced in the Senate by Senator LEVERETT SALTONSTALL. Both bills have for their purpose the authorization for the armed services to participate in the second pan-American games, the Olympic games, and similar amateur sports competitions.

The subcommittee over which I preside as chairman heard testimony on the McCormack measure, after amending the bill in one particular, approved it and sent it to the full committee. Under the administration of the chairman of the Armed Services Committee, the Honorable CARL VINSON, of Georgia, the McCormack bill was approved and sent to the House for action. In the meantime, the Senate acted on the Saltonstall bill and, in doing so, adopted the exact amendment which had previously been approved by the House Committee on Armed Services and sent this bill to the House of Representatives for action. This is the bill before you today.

After the Saltonstall bill came to the House, the Armed Services Committee of the House authorized and approved the Saltonstall bill and authorized it to be taken up for quick passage and to be sent

to the President. This is the bill which we have before us today.

It is urgent that this measure be passed at once. The second pan-American competitions begin in Mexico City on March 12 of this year. It is highly desirable to have this bill in the hands of the President at once in order that our people may participate in these competitions in Mexico City. We have done everything possible to expedite the handling of this measure for this reason. The bill carries with it an authorization for \$800,000 to be spent over a 4-year period beginning with the date of this loan. This amount of money is to be apportioned among the three military departments by the Secretary of Defense and a limitation of \$100,000 is placed upon the amount of money to be used by the Coast Guard.

This money will permit the payment of travel and living expenses for those athletes participating in these international games.

I believe that fine publicity could be obtained for our Military Establishment from its action in providing athletic teams for the Olympic and other international amateur games and would help the morale of our armed services and would also help in recruiting in the services. Experience has shown that clean, aggressive athletic teams obtaining publicity produce almost immediately results in the attitude of our people generally toward the armed services and in recruitment.

Most of the nations of the world will have teams at these events. Even Russia may send athletes to compete. Personally, I want to have the satisfaction of knowing that our teams from the United States have our full support and that the military services make a strong showing on their own behalf in these games.

The Honorable JOHN W. McCORMACK has been most active in pushing this measure. He appeared before the House Subcommittee No. 1 of the House Armed Services Committee and made a strong statement. He has been most aggressive in pushing the measure and is entitled to credit due to one who has shown a vigorous and active interest in a good measure.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 3014) was laid on the table.

A motion to reconsider was laid on the table.

ELECTRIC POWER FROM ATOMIC REACTORS

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, within the past few days there has been released highly significant information on the production of electric power from atomic reactors.

Next summer the first commercial supply of electricity will be delivered from a reactor in West Milton, N. Y. Within 2 years a considerably larger installation by the Duquesne Light Co. in cooperation with the Atomic Energy Commission will be operating in Pennsylvania. About the same time the Consolidated Edison Co., of New York, plans to build a still larger plant based on atomic energy.

That atomic energy is destined to be one of the major sources of electric power in the world can be seen by the fact that Great Britain plans to produce 25 percent of its new electric power from this source over the next 10 years. Following that period it is expected that all new power production in that country will be from atomic energy.

In this country work is going on speedily on the development of atomic reactors which can breed their own fuel supply. They promise eventually to be the cheapest source of power yet devised.

I have no quarrel with the fact that private power companies are leaders in this field. I congratulate them on their enterprise.

I am disturbed by the fact, however, that as of now the Tennessee Valley Authority has not entered on this program even experimentally. As one of the great power producers in the world, it seems to me that it should have been in the forefront of experimentation in this field.

The TVA area, in which most of my district is included, is rapidly growing. Its residents want no ceiling placed on its growth by any lack of power in the future. If the future of electric power production lies in the field of atomic energy converted into electric power, the people of the TVA area want the TVA to have the facilities to employ it.

I hope, Mr. Speaker, that the same attitude in this administration which, working in secrecy, produced Dixon-Yates, is not going to keep the TVA from being a pioneer in this new field of power production. I hope earnestly that the Bureau of the Budget and the Atomic Energy Commission will not seek to stifle the TVA in this matter by withholding funds or information or both.

A good part of the operations of the AEC lies in the TVA area. TVA power was in past responsible for the fact that we achieved the atomic bomb when we did. It would be unnatural if these two agencies of the Government could not act in partnership at least on a basis equal to the partnership with which the AEC is acting with private industry in this field. I hope that experience with Dixon-Yates has proved once and for all that the Atomic Energy Commission has no business acting as a hatchet man on the TVA.

SPECIAL ORDERS GRANTED

Mr. WILLIAMS of New Jersey asked and was given permission to address the House for 45 minutes on Tuesday next, following any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

COMMITTEE ON SMALL BUSINESS

Mr. MULTER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Small Business Committee may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INTERPARLIAMENTARY UNION

Mr. TALLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Speaker, I rise to announce that the United States group of the Interparliamentary Union will meet at 10 a. m. on Tuesday, March 15, for the purpose of transacting business which was not completed at the annual meeting held in January. The meeting will be held in the old Supreme Court Chamber.

THE LATE REVEREND FATHER PAUL A. McNALLY

Mr. VELDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, I was saddened to hear of the recent passing of the Reverend Paul A. McNally, S. J., of Georgetown University in Washington, D. C.

Some time ago, I had the honor and pleasure of visiting with Father McNally on the occasion of my appearance on the television program, the Georgetown University Forum.

Father McNally's death is a great loss to the field of education in America and to American youth to whom he has devoted so many years of his life. The contributions of this great educator in the science of physics can only be truly estimated by future history.

I wish to extend my condolences to his relatives and many friends as well as to his colleagues at Georgetown University where he had devoted so much of his time and effort.

POLITICAL PROPAGANDA

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, I think the people admire courage, even in politics.

The chairman of the Democratic National Committee, Mr. Paul Butler, has set a bad example of political cowardice in fomenting smear attacks against the Vice President and other members of the administration because he and those who read the speeches prepared by his ghost-

writers do not have the guts to attack the popular President. Mr. Butler's tactics have taken a particularly unsavory turn today. With singularly bad taste, he has reached into the presidential household with dark implications that the members of the President's family may swerve him from his sense of duty by what he refers to as family considerations. Mr. Butler should be advised that wishful thinking combined with crudity of manners will get him nowhere.

REPORTING AND TRANSCRIBING THE PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, it is always remarkable how people who are so engrossed in the management and operation of their own affairs take for granted the services that are rendered by others in making their work possible. It also seems inevitable that these important operations which are accepted as commonplace are generally extremely complicated and their end product is the result of a high order of devotion to duty coupled with extreme efficiency. These observations are merely preliminary to a few remarks I wish to make about the services rendered by the staff of congressional reporters who work with unobtrusive faithfulness in transcribing the proceedings of the House of Representatives.

An important part of the business of Members of Congress is to make speeches and to engage in debate on the floor of the House and, of course, it is the obligation of the Speaker or whoever may be the presiding officer to render decisions and conduct the proceedings in accordance with the rules. All of these operations are recorded with meticulous care and are printed in the CONGRESSIONAL RECORD which is available to the membership and the world on the following day. It is of interest to know how all the proceedings which take place in a fast and at times confusing tempo are welded into a clear and consecutive record. Any attempt to explain the procedure to make the CONGRESSIONAL RECORD the accurate official account of the daily deliberations of the Congress that it is, is very difficult because while it appears to be simple it is in reality very complicated. With the help of some members of the staff of reporters, who insist on remaining anonymous, I will briefly and in all humility try to explain what happens.

Let us start when a Member is recognized by the Chair to make a speech. Be it for 1 minute or in the Committee of the Whole for a longer period, from the time when he starts speaking a reporter is on the job nearby taking down his words. Indeed, a reporter is always present taking down what is said whenever anyone says anything during a ses-

sion of the House, and to compile and edit all these proceedings so they appear in the RECORD in their proper continuity is an exacting task. These reporters make up a team of 7 carefully selected and highly trained men who record in shorthand everything that is said, each member of the team recording the proceedings for only 5 minutes at a time. As soon as a reporter has finished his 5 minutes he is relieved and he immediately proceeds to a room on the floor below the House Chamber to dictate his notes into a machine. These notes are then transcribed by 1 of a staff of 7 expert typists and the reporter compares this transcription with his original notes, making whatever corrections that may be necessary. He brings the corrected transcription back to the Chamber to be delivered as promptly as possible to the Member of the House who had the floor when his remarks were taken down, but before the transcription is delivered to this Member for revision, the manuscript is given to the Chief Clerk for the reporters, who sits at the reporters' desk at the foot of the rostrum. The Chief Clerk maintains what is called a "turn book" where a double-column record is kept of the assignment of each reporter. In the right-hand column the name of the Member having the floor is recorded and in the left the names of those to whom he yielded during his speech. This book contains the names of all Members who may speak and the order in which they speak, whether it is to submit a consent request, make a speech, or ask a question of a fellow Member. The reporters' clerk assembles all the pages of the Member's completed speech, folds them together, and on the back endorses the page numbers and the statements "Remarks of Mr. Blank for revision," Mr. Blank being the man who had the floor at the time of the speech.

This manuscript, which is recognized by the reporter as Mr. Blank's speech, is then given to Mr. Blank for "revision and extension" and later to anyone who may have engaged in a colloquy with him during the speech, such person being referred to as a "colloquial speaker." The right-hand side of a reporter's notebook is generally used to take down the remarks of the Member who has the floor and the left-hand column is devoted to any interruptions which may occur during his speech. Under the rules the copy is first given to the Member who had the floor for revision and later to anyone to whom he may have yielded.

It is evident from the fact that as a reporter is engaged in taking down a speech for only 5 consecutive minutes more than 1 reporter will report a speech of more than 5 minutes, and in order to keep the continuity in proper order, each reporter numbers his pages of transcribed notes under a system by which both he and the speaker are identified. This system is an intricate one and is hard to describe, but suffice it to say that it works without confusion, and the numbering system used insures the proper continuity of the proceedings. The fact that the reporter who first started may work a second or third time on the same speech gives some idea of how complicated the system of identifi-

cation may become in assembling the entire proceedings in their proper continuity. The system is not complicated to the reporters, but it is beyond my feeble capacity to describe it adequately.

The reporters divide the proceedings of the House into two categories, business and special or debate. Such things as purely routine matters, like the submission of consent requests on which there is no debate, extensions of remarks, the formal calling up of matters for consideration, rollcalls, announcement of votes, and so forth, come under the heading of business, and these transcriptions are not given to the Members for revision unless there is special request or direction to do so. All speeches, debate, or colloquy come under the head of speeches and, of course, these transcriptions are submitted to the Members for revision in accordance with whatever directions may be given in any particular instance. It is important to the smoothness of the entire operation to have the Members revise their speeches as promptly as possible so the copy may be sent on its way to the Government Printing Office.

After the House has adjourned, a Member's remarks not previously delivered are sent by messenger to his office for revision and, of course, a record is kept of the page numbers and the names of the Members when the transcript leaves the control of the reporters' clerk. After revising the copy, Members may leave it with the guard in charge of the main doors of the two House Office Buildings or at the northeast door of the Old House Office Building, where it is picked up by messenger for delivery to the Government Printing Office. While the absolute emergency deadline in the Government Printing Office for the printing of the CONGRESSIONAL RECORD is 12 o'clock midnight, all copy should be in the hands of the Public Printer by 9 p. m. Any matter which is delivered subsequent to midnight is published in the following day's RECORD.

When the copy arrives at the Government Printing Office it is assembled in its continuity and undergoes a very careful check to make sure that it appears in its appropriate and proper place in the CONGRESSIONAL RECORD. First a check is made on extensions of remarks to see that permission for the extension had been granted and that the same matter has not already appeared in a previous edition of the RECORD, inserted by either a Member of the House or of the Senate. It is also checked to determine that the matter does not exceed the limit of two pages in the printed RECORD as provided by the rules. After this has been completed the copy is cut up into small "takes" in order to spread the linotype work over a large number of operators. Each "take" is clearly identified and a long speech may be worked on by a great many linotype operators. After the operator sets his "take" he places his type on a numbered galley, a galley proof is run off and with the copy is put together in proper order and sent through pneumatic tubes to the proofroom. In the proofroom, the galley proof is read twice against the original manuscript, corrections are noted in the margin of

the galley proof and then it goes back to the linotype section where corrections are made in the type itself. After these corrections in the type are completed a new galley proof is taken which is sent back to the proofroom once more for another check. When the proofreaders have finished their work, the type is made up into pages, a page proof is struck and this proof goes to the proofroom for a final check to see that the "takes" tie into each other and the pages connect properly. When this has been done, the type is locked up for the foundry. In the foundry, mats are made from the linotype pages and from the mats metal plates are made for use on the presses.

These presses are built especially for printing the CONGRESSIONAL RECORD, although they are also used for other work, and a press load consists of 64 pages of the RECORD. Thirty-two pages which consist of 16 sheets are called a signature and you will note that as the finished RECORD comes to you, several signatures or sections may be bound together to make up the completed RECORD. These signatures come off the press in folded form and are placed in proper order on a gathering machine which gathers them in sequence and stitches them together. Three sides of the RECORD are then trimmed and it is ready for distribution.

It will be seen from this brief description that there are 15 or more separate processes that take place before a Member's speech appears as part of the CONGRESSIONAL RECORD and it is a remarkable tribute to the individuals who do this work that so few errors are made.

Devotion to duty and pride in their work on the part of the reporters and the printers are what makes the compilation of the CONGRESSIONAL RECORD the remarkable feat that it is. These men are dedicated to their tasks and recognize that theirs is an important role in the operations of the legislative branch of our Government. Indeed the Houses of Congress could not function without them and their accurate handiwork. We Members are too apt to take all this for granted and it is a great tribute to these men that their tireless and efficient work is done in such an unobtrusive and quiet manner. They merit our praise and our grateful appreciation as well as our profound admiration.

STORY OF A LIBRARY

Mrs. FRANCES P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, a few days ago, L. Quincy Mumford, formerly director of the Cleveland Public Library, sent to Congress his first report as Librarian of Congress. It is an admirable statement, clearly explaining some of the problems as well as the accomplishments of that great institution during the past fiscal year. I hope that many of you will find time to read

the introduction, at least, which summarizes the growth of the collections for the past century and a half and the outstanding events of the last year.

Too many of us are inclined, I believe, to think of the Library of Congress in terms of the Legislative Reference Service, which we find so useful, and to forget that basic to the effective functioning of the Legislative Reference Service are all the operations of the Library. Without materials gathered from the ends of the earth, catalogued and classified, and made available to the Legislative Reference Service and to the Members of Congress directly, we could scarcely claim to be the best informed legislative body in the world.

The report points out that hundreds of thousands of other Government officials, scholars, and other private citizens made use of the Library during the year; that through the self-supporting card distribution service some 22 million catalog cards prepared by the Library helped to make up the catalogs of libraries all over the country; and that the resources of more than 1,600 libraries throughout the United States, including some in my own district, were augmented by the Library of Congress through its interlibrary loan service.

In the Washington Evening Star of February 10, 1955, there appeared an editorial on the annual report of the Librarian of Congress that expresses, I think, the significance of the Library both to Congress and to the Nation. Under leave to extend my remarks, I am inserting it herewith:

STORY OF A LIBRARY

There is a temptation to discuss the annual report of the Librarian of Congress in terms of statistics. And it is important that the Library now contains 33 million pieces and it paid into the Treasury, during 1954, more than \$1.9 million from index card sales and copyright registrations. But this it not by any means the whole story.

What the American people really want to know about their national Library is what it means to them. Each yearly certification of progress suggests the question: What does all this signify? And the Librarian has an answer—namely, the readable text of his report. A reader may open the 178-page book at random and find convincing evidence of the Library's value. Here, for example, is testimony of its worth as a depository of precious papers. In the period chronicled it received the files of Senator Robert A. Taft, General Benjamin F. Butler, Whitelaw Reid, Norman H. Davis, General Peyton C. March, Admiral Harry E. Yarnell, Robert P. Patterson, Jo Davidson, and Frank S. Lahm—the very stuff of the history of the age to which these notable men belonged. It is obvious that there should be a central library of such material here in the Capital of the Nation.

But the Library is not simply an archive. In fiscal 1954 it did reference work for literally every Member of Congress, dealing with some 69,000 inquiries from Senators and Representatives and thus fully justifying the appropriations for its support and enlargement. The number of questions received from other Government officers and agencies ran to astronomical heights and were matched by requests for information from uncounted thousands of private citizens who naturally look to the Library as a university of the whole American community.

Of course, many of the inquiries from the public had nothing to do with public affairs. They were concerned with the private enter-

prises and activities of citizens interested in industry and commerce, education, the sciences and the arts, literature in its inclusive sense of written records of every useful sort, philosophy and religion. A casual glance through the Librarian's report shows how various, how complex and how engaging these interests are. But the Library brings them into practical focus. No other institution on earth surpasses it as a mirror reflecting humanity in action.

OUR SHREDDED CONSTITUTION

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

Mr. GROSS. Mr. Speaker, an editorial in the March 2, 1955, issue of the Indianapolis Star points up a situation which Congress cannot continue to ignore.

We have lived to see a sad and sorry day in the history of this Republic when, with hundreds of thousands of American servicemen stationed in foreign countries, great numbers of them no longer have the guarantees of our precious Constitution.

I have tried in a small way to remedy this situation through the introduction of House Joint Resolution 236. It seems to me that the least we can do for our servicemen is to warn them before departure from our shores that under certain conditions in foreign lands their Constitutional rights have been forfeited.

As the Indianapolis Star suggests, the effective method of stopping the shredding of the Constitution is enactment of the Bricker amendment which would make it impossible for any treaty or agreement with a foreign nation to supersede the Constitution.

The editorial:

RIDDLED SHIELD OF LIBERTY

It is a strange paradox that the same American Constitution which permits Communists to escape prosecution by pleading the fifth amendment also allows an American lad in his country's armed services overseas to be stripped of his liberties by a foreign court and subjected to punishments which would be cruel and unusual in the United States.

Pvt. Richard T. Keefe has now been turned down by the United States Supreme Court in his fight against a five-year sentence at hard labor meted out to him in a French court for making off with a French taxicab following some injudicious tipping in a bar in the city of Orleans.

Private Keefe pleaded guilty. This, one would think, should have procured some mitigation of his sentence for what was, after all, a prank—especially since the French keep insisting that we maintain our troops on their soil to defend them against their neighbors. But no, the French court dealt with Keefe as though he were a member of a hostile occupying army. They have the right to do this under the status of forces agreement signed by President Eisenhower on Oct. 27, 1953, with NATO countries. These countries are given the right to arrest Americans stationed within their borders and judge and penalize them according to their own lights. Thus, Americans sent abroad in service of their country no longer are protected by the American Constitution.

The soldier's wife said in her brief, filed with the Supreme Court, that Keefe was

compelled to be a witness against himself, subjected to cruel and unusual punishment and deprived of his rights as an American. But her challenge to the treaty which made this possible was not ruled on by the court.

We will not attempt to understand the reasoning of the Justices in refusing this ruling. But it is certainly well known by this time that the Constitution itself allows its own guarantees to be overridden by such treaties and agreements as the status of forces treaty. It is exactly this loophole in the Constitution that proponents of the Bricker Amendment seek to close. The amendment would make it crystal clear that any treaty, or provision of a treaty which conflicts with constitutional guarantees will be without validity. If this amendment were in our basic law, Keefe and others of our soldiers who may be vulnerable to legal injustices abroad, would carry the Constitution with them as a shield. As of now, that shield does not protect them.

A MORAL OBSCENITY

Mr. GROSS. Mr. Speaker, the questions raised in the following editorial in the March 3, 1955, issue of the Indianapolis Star ought to be answered forthwith. Failure of those still living who know the facts and refuse, voluntarily, to make them public should be the signal for drastic action on the part of Congress.

Abraham Lincoln said:

Let the people know the facts and the country will be saved.

The editorial:

A MORAL OBSCENITY

About 6 o'clock in the morning of February 24, 1946, more than 4,000 prisoners of war were roughly aroused from sleep by their grim-faced guards. The guards began herding them toward cattle cars. Suddenly the prisoners began to resist. They fought and cursed and struggled. Many of them cut their wrists in suicide attempts. The air was filled with the crunching sounds of rubber truncheons on human skulls, with moans and screams and shouts. But still the brutal scene went on. Before the day was out those who had not taken their own lives or been killed by the guards were on their way to the certain death and torture that awaited them at their final destination. And this was only the beginning. In a period of 2 years over 2 million more, including women and children, suffered the same fate—unless they were mercifully spared by jumping off trains to kill themselves.

Americans stand aghast at such inhuman brutality. We would never condone such a moral obscenity, as one writer called it. Americans believe in the dignity and rights of all human beings. We respect the sacredness of the human personality. All our institutions reflect this attitude.

Oh yeah? Those grim-faced guards were Americans. Those pitiful refugees from murder and tyranny were anti-Communist Russians held by our troops after World War II. They were being driven back against their will to the homeland they had left to escape the brutality and ugly inhumanity of Communist rule. The orders to drive them back also came from Americans who would yield to no man in their desire to placate, to please and to honor "our great Soviet ally."

Why was this done? Who ordered it? Who permitted it?

At Yalta, President Roosevelt and Prime Minister Churchill had agreed with Stalin to repatriate "prisoners and civilians." Nothing specific was said about forcing unwilling prisoners back by brutality * * * unless a still-secret clause exists somewhere. The decision to beat and kick and shoot

these unwilling anti-Communists was made in Washington. It came in 1945 from the Joint Chiefs of Staff in reply to a query from General Patch, who had halted this horrible task in disgust and asked for orders. The whole story, or at least a good part of it, is told in the December issue of the American Legion magazine. The author, Julius Epstein, says, "It is unlikely that a decision involving the lives of millions was made without consulting the Commander in Chief."

How and why was this decision made? Whose influences were paramount? Did Gen. George Marshall have the final say—the order came from the Joint Chiefs of Staff? Did Alger Hiss or Harry Dexter White or somebody else sit at the elbows of the mighty when the order was drafted to destroy these helpless people? "Who was so anxious to rid the world of anti-Communist Russians, and why?" asks Epstein.

Somebody still living knows the truth. General Marshall must know. Others must know why it was more important to placate the bloodiest tyrant in modern history than to adhere to the high moral principles upon which our whole American way of life is based. Who are they?

We must find out—Congress must find out—who made the United States a party to the most horrible pogrom in modern times; who helped Stalin eliminate his bravest opposition; who made certain that the Kremlin could prove to its people that they would get no help from us if they sought to throw off the Communist yoke in war's aftermath?

In Korea the United States reversed this beastly policy after some initial hesitation. We fought on for 6 months to make sure that Korean and Chinese prisoners of war would not be similarly driven back to death and torture. That was in 1952 after the Eisenhower administration took over. And that was also the year when the American people were led to believe the secrets of Yalta and its consequences would be laid bare before the conscience of the West.

Last fall Americans were told that the secret documents relating to the Yalta decisions would be published after 10 years. The date was postponed until after the election. It was postponed again. The papers are still secret. Why? Is it because General Marshall is involved? Is it because someone still high in the councils of Government must be protected?

It is up to Congress to find out the truth about this indelible blot on the conscience of America. It makes no difference who is hurt. For the conscience of our country hurts, and only by baring the truth before ourselves and the world, by confessing this monstrous crime against humanity, by exposing those responsible for it, can we in some degree exorcise this moral obscenity.

We will be told that it is all over and done with. "Why rake up the past?" some will say. Why indeed? Why ever confess a sin, or apologize for a mistake, or right a wrong? Until Americans prove by public exposure that this is heavy on our conscience, we cannot prove to the world that this is not an act condoned or approved by the free people of America. Millions of people behind the Iron Curtain think it was.

We may face similar situations again. If we are going to meet them true to the great moral principles of our historic past, true to our Christian heritage, our faith in the dignity of man and the rights of all, we must extirpate this awful stain upon the conscience of our free people.

PERMISSION TO FILE MINORITY VIEWS ON H. R. 12

Mr. HARRISON of Nebraska. Mr. Speaker, I ask unanimous consent that

I may have until midnight tomorrow to file minority views on H. R. 12.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

STATE AND JUSTICE DEPARTMENTS AND THE JUDICIARY APPROPRIATION BILL, 1956

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have permission to file on Wednesday, April 13, a report on the bill making appropriations for the Departments of State and Justice and the judiciary and related agencies, and that it may be brought up for consideration on that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARTIN reserved all points of order on the bill.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 12.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during general debate during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1954.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 10, 1955.

CAREER INCENTIVE ACT OF 1955

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 169 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that

the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. LATHAM], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 169 provides for an open rule with 3 hours of general debate on the bill, H. R. 4720, the military pay bill.

At the hearing before the Committee on Rules the interest expressed on this subject was great enough to warrant the 3 hours of general debate which we decided to give. Since the rule is an open one, which would allow amendments of any type from the floor and since the time for debate is so great I can think of no reason why there should be any objection to the adoption of this rule. The bill itself was reported unanimously from the Committee on Armed Services.

According to the report on H. R. 4720, Mr. Speaker, the bill would increase the pay for all enlisted personnel with over 2 years of service, for all warrant officers with over 2 years of service, and for all other officers with over 3 years of service, in an amount not less than 6 percent of basic pay.

The largest percentage increase for officers is in the grades of first lieutenant and second lieutenant—a 22.33 percent and 25 percent increase respectively with over 3 years' service.

The smallest percentage increase for officers is in the grade of major general with less than 26 years of service with an increase of 6.07 percent. The largest dollar increase for officers in the basic pay tables is for the brigadier general who completes more than 30 years of service where the increase amounts to \$107.64 per month. First lieutenants with over 3 years of service will receive under this bill a \$61.22 per month increase, while captains with over 6 years of service will receive a \$49.92 increase per month.

In the enlisted grades, the largest percentage increase is for the E-4—corporal in the Army, sergeant in the Marine Corps—with over 8 years of service who receives a 17.35 percent increase amounting to \$26.52 per month. The largest dollar increase for enlisted personnel is in the grade of master sergeant with over 26 years of service who receives an increase of \$29.64 per month.

The report on this bill, Mr. Speaker, brought out the fact that the pay scale that is proposed in the bill is based upon a formula, taking into consideration the

recommendations of the Hook Commission, the 4 percent increase in pay enacted by Congress in 1952, and increased increments in pay periods following a normal career pattern.

Increased incentive pay is also provided in H. R. 4720 for those members of the service engaged in flying or submarine duty. It is also proposed in the bill that the per diem allowance be increased from \$9 to \$12 for those individuals who would be entitled to a per diem allowance, upon being away from a permanent duty station.

H. R. 4720 also proposes to increase the pay of midshipmen at the Naval Academy and cadets at West Point as well as the cadets at the Air Force Academy and Coast Guard Academy. Their pay will be increased from \$81.12 per month to \$111.15 per month, if the bill is passed in its present form.

It is estimated that the proposed bill would involve an annual expenditure for members of the armed services for fiscal year 1956 of \$734,045,571. In addition, the increase with respect to the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service for fiscal year 1956 will be \$11,797,444. This would make a total cost, if the bill is passed in its present form, of \$745,845,015 for fiscal year 1956.

Mr. Speaker, there are a number of provisions in H. R. 4720 which I am sure will be elaborated upon during the general debate on the bill. H. R. 4720 represents an important piece of work by the members of the Committee on Armed Services and no matter what our individual opinions may be about the bill itself, I think we must all agree that the subject is an important one and worthy of the serious consideration of the House. I hope that the rule will be adopted and that the House may then proceed to the consideration of the bill itself.

Mr. LATHAM. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the Constitution of the United States imposes upon the Congress the duty to raise and maintain the Army, Navy, and now the Air Corps of the United States.

The Armed Forces have had a little trouble in recent times in maintaining its strength. Witness the fact that the reenlistment rate during the last fiscal year is the lowest in the entire history of the country.

This is so because of many things. Many of the members of the armed services have lost what they call fringe benefits, which are important to some. We have lost many reenlistments because of competition with private industry. The Government trains highly skilled personnel, and then private industry comes in and offers them more money, and many of the most skilled of our members of the armed services personnel, leave the Government and go with private industry.

In response to the obligation that the Constitution imposes upon the Congress, your Committee on Armed Services has sought to bring back a bill which meets this situation in a very fair and effective manner. It provides an incentive for every member of the armed services, no

matter what his rate and no matter what his rank.

The principal increases in pay, as provided in this bill, go to the younger officers at a time when they might be considering leaving the armed services of the country. To borrow a phrase from the gentleman from Missouri, when he appeared before the Committee on Rules, this is a bill which tends to give stability and dignity to every member of the armed services.

It is true that this measure will cost the Government a large amount of money, but in these very critical times, it is a measure which we cannot afford not to pass.

Mr. Speaker, I urge the adoption of this 3-hour open rule.

Mr. COLMER. Mr. Speaker, I have no further requests for time, and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 18]		
Bell	Hollifield	Reece, Tenn.
Boggs	Hope	Roberts
Bolton,	Kearney	Rogers, Mass.
Oliver P.	Kee	Schwengel
Bowler	McGregor	Sheehan
Canfield	Mollohan	Thomson, Wyo.
Christopher	Moulder	Wickersham
Dawson, Ill.	Murray, Tenn.	Willis
Dingell	Poage	Wilson, Ind.
Eberhart	Powell	Young
Grant	Prouty	
Hinshaw	Radwan	

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mr. FEIGHAN asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered, and to revise and extend his remarks.

CAREER INCENTIVE ACT OF 1955

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H. R. 4720, with Mr. RAINS in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, by unanimous vote of the subcommittee which heard the bill and by unanimous vote of 30 to 0, the whole Committee on Armed Services, we bring you the bill for an increase in military pay.

I would call your attention specifically and particularly to the title of the bill. It is the Career Incentive Act of 1955. I believe that if you analyze the bill you will find it conforms exactly to its title.

What we propose here are incentives to attract into the service and then to retain men on a permanent basis.

Mr. Chairman, so long as we seek to maintain a present military strength of approximately 3,100,000 or to maintain a military strength which the President has now proposed for the end of the next fiscal year of some 2,800,000—I believe all will agree we must attract and retain in the services just as many as possible. Let us not forget that for every enlisted man that you retain in the services that it means one less man to be drafted. I believe it is common knowledge among the people, and certainly among the Members of this House, that we are not attracting and we are not retaining in the service on a career basis the numbers of men which we should be able to attract and retain. The figures are available showing the situation. I shall cite some of them. Taking the regulars only, from the figures of the Department of Defense, in 1950 the reenlistment rate was 59 percent. It averaged 55 percent in fiscal years 1951 through 1953. It averaged only 23.7 percent in the fiscal year 1954. From July to December 1954, the average was 24 percent.

The Army reenlistment rate has shown an increase during this fiscal year, and has risen from an average of 22 percent to 54 percent from July to December. The Army states that this can be attributed to the unit rotation plan and the increase in reenlistment bonuses. It should be noticed that these are for the regulars only. When the inductees are added to this, the overall percentage drops considerably since the inductee rate of reenlistment is now below 3 percent, giving the Army an overall reenlistment rate for the month of January 1955, of 13.2 percent.

The Navy enlistment rate is still decreasing from a high of 66 percent in the fiscal year of 1950 to 7.4 percent in the period from October to December 1954.

A similar situation prevails in the Air Force where the reenlistment rate has dropped from 55 percent in the fiscal year 1950 to 21.8 percent in the period from October through December 1954.

The Marine Corps rate has shown a slight increase from an average of 18.1 percent in the fiscal year 1954 to an average of 20.1 percent for the period from July to December 1954.

The situation with reference to the regular officers in the services is most

alarming. When we realize in the Army only 21 percent of the distinguished graduates of our ROTC and OCS courses applied for regular commissions in 1954. It has dropped to 30 percent in 1953 and 34 percent in 1952, 38 percent in 1951, 47 percent in 1950 and 54 percent in 1949.

In the Navy, only 3.4 percent of the 16,681 officers eligible for regular commissions from the Naval ROTC aviation cadet, and other programs applied for a commission.

This is approximately one-half of the rate of applications in 1953.

In the Air Force, applications for regular commissions among ROTC, aviation cadet, and OCS graduates, was only 6 percent in 1954 as compared with 61 percent in 1950.

Let us go back to the period prior to World War II and contrast that situation with the present situation. So long as we attempt to maintain these figures, we are going to have to give this most serious consideration. First of all, we must realize that among the American people there is a relatively small percent who have any desire or are temperamentally suited to pursuing a military career. Of that relatively small percentage, even a smaller percentage possess military aptitude which would make them successful in a military career. So in maintaining these numbers, we must attract to our services on a permanent career basis, every single individual we can. Before World War II, we were able to keep men of such tremendous, outstanding ability as President Eisenhower. He stayed on duty from July 2, 1920, to July 1, 1936, as a major, a period of 16 years. General Omar Bradley stayed on as a major from July 1, 1920, to June 26, 1936, also a period of 16 years without promotion.

Admiral Nimitz remained a captain in the Navy from 1927 to 1938, a period of 11 years. Gen. H. H. Arnold, the late Gen. Hap Arnold, became a major on July 1, 1920, and remained a major until 1931, a period of 11 years. General Vandergraft, now retired as commandant of the Marine Corps, was appointed a major in 1921 and served for 13 years.

In those days we were able to keep men of that caliber in our services. Why can we not maintain those men at this time? I think a number of things are involved. A military career is not as easy a career as some would like to paint, for either the enlisted men or for the officers. Surely you do not have the selection of location, the right to pick the place you might want to live. Back in those days the military had things which have been lost, or other advantages over civilians that have passed into history. In those days there were less than 30,000 regular officers in all the services. They were a selected group serving voluntarily. They held positions of honor. That was before the epithet "Brass Hat" was in common use. To make up for what they lost because of frequent change of situation, and other restrictions and lack of promotion, they had things that nobody else in the United States had. They had an adequate retirement system. If they served 30 years they were guaranteed retirement at 75

percent of their base pay. No other industry or business in the United States in those days had such retirement provisions; but after the Social Security Act was passed the situation changed, until today the business or industry which does not have a retirement system which implements and increases the social-security system, is an exception, not the rule. So that that advantage no longer exists. There are adequate retirement systems in all phases of business and industry.

In those days the size of the service permitted medical, dental, and hospital care to be available to a member of the service and to his dependents. Now it is frequently unavailable. In those days there was no such thing as hospital and medical insurance. Since that time the industry or business without group hospitalization is the exception. Practically all of them have it.

There are a number of other things. The post exchange facilities were more adequate in those days than they are now. Many in the services complain about what the local merchants have done to the post exchange system. I think the services themselves have done far more than the local merchants. In those days the post exchange operated on a basis to provide recreation on the base or post where earned. The profit they made went to recreation on that base or post and nowhere else. During the war it was changed. Since then post exchanges are operated on a service-wide basis. The chain store idea took over and it is operated from Brooklyn, N. Y., rather than on a post, base, or station level, where only enough profit was desired to produce recreation for that installation.

Congress has done some things to the commissary. Most people do not understand the distinction between the post exchange and the commissary. The post exchange is to provide small items of convenience and necessity for members of the Armed Forces. The commissary is for the sale of staple items of food, which are permitted to be sold at cost, or thereabouts. This food is acquired by the services in large quantities and is sold to military personnel and their families who eat at home instead of in a mess.

A few years ago, through an amendment placed on an appropriation bill in the other body, it was made mandatory that certain other costs be added, so that those advantages were lost.

So we find ourselves today, whatever may be the cause of it, unable to attract and to retain the men that we want in our armed services. Pay alone will not do it, but that is the first change we must consider. First we must see to it that the pay we give them is adequate.

A few general remarks with reference to a particular phase of this bill.

In time of war you cannot compensate a man, you cannot pay him enough, to get killed. So the military pay that you give him cannot be based upon compensation; it can only be a reasonable amount for his personal needs. A relatively small percentage of inductees or enlistees have dependents. You cannot compensate all of them by pay to

take care of their dependents. We have provision for allotments and allowances to accomplish that purpose.

In time of peace you cannot pay a man who has no intention or desire of pursuing a military career for taking 2 years out of his life and delaying for 2 years getting started in the profession he intends to follow whether it be one of the learned professions or whether he intends to be a skilled worker. He loses 2 years' seniority in his field of employment, he gets stated 2 years late. We cannot compensate him by pay for that. All we can do is to pay him an amount reasonably sufficient for his personal needs and then follow whatever policy the Congress may adopt with reference to compensating for that lost period. In the past we have done it either by payment of a bonus or by the GI bill of rights granting educational benefits and such things.

I would call your attention now to the report at page 25. We have inserted a table which shows the present pay scale in each grade, in each year of service bracket. We have also shown in the table what was proposed in the bill which came to us from the Department of Defense. We then show what is proposed to be done by the bill which we have reported to the House and which is now under consideration here. It also shows the dollar increase in those various grades and the percentage increase in the various grades as proposed by the bill. So I would urge that those of you who want to know specifically just what we do for any enlisted man or officer in a particular grade, turn to page 25 for the officers, page 26 for the warrant officers, and page 27 for the enlisted men. From these tables you can tell exactly what is done for each both dollarwise and percentagewise.

There are, of course, a few things I might say to give you some idea of what we have done with reference to military pay generally. I believe experience has proven that granting overall increases does not accomplish our purpose of making an attractive career that will furnish men the incentive to stay in the service; experience shows the critical points at which we are losing the men. An enlisted man who has been inducted, serving a period of 2 years of obligated service—that is an obligation placed upon him by law—we propose no increase. For every one of those whom we get to enlist, at the end of those 2 years, is one other that we will not have to induct or to draft. So we propose at the end of 2 years of service to give a rather substantial increase.

Then when you go to the officer corps, nowadays officers going into the service are obligated for a 3-year period. Many were deferred during college, and took the ROTC course in college on the understanding that they would serve for a period of 3 years after eradication and getting their commissions. Every single lieutenant we can retain on active duty reduces the cost to us.

Let us not forget that training is a most expensive item. I guess the most expensive thing we have in the Government of the United States is the recruit. We bring him in; he has to be equipped,

and he has to be trained. During the time he is going through this basic training he does not produce any service; rather, he is absorbing the service of a tremendous number of people who are training him. So that by the time he is ready to render any service at all he has cost you well in excess of \$5,000. That is an old figure, however. I am sure that figure would have to be adjusted upward and would be perhaps nearer \$7,500. And as to officers relatively a good deal more.

Let us take the lieutenant you train as a pilot. By the time he is trained as a pilot you have spent \$120,000. By the time you have trained him as a jet-bomber pilot you have spent \$275,000. This is no piker's game. This is a business that really calls for money and we have got to do something to keep these people in the service.

We go to the points where we know from experience they are falling out, the points where we know their services are essential and that we have to have them and when you refer to the table you will see that there is a very substantial increase moneywise and percentage-wise.

A second lieutenant who completes more than 3 years' service—that would include his time as an enlisted man, total service—under the present law receives a basic pay of \$237.12 per month. Under the proposed legislation he would receive \$296.40, an increase of 25 percent or \$59.28 per month.

A first lieutenant who has completed over 3 years' service under present law receives \$274.18; under the proposed legislation he will receive \$335.40, an increase of 22.33 percent or \$61.22 a month.

We have the smallest increase in the case of major generals. A man who has reached the rank of major general has reached the top of the career; it is the highest scale bracket we have. I hope you understand that the pay scales run only through major generals. Thereafter, a lieutenant general draws the money allowance of \$500 a year more than a major general and a four-star general receives \$2,200 more than a major general. The importance of that is when he retires he does so at the pay of a major general. No one but the five stars retire at any greater pay than a major general. We provide for the major general, if he has over 26 years of service, an increase of 6.07 percent or \$58.50 a month. If he has more than 30 years of service we provide 8.41 percent or \$83.46 per month.

The private with over 2 years of service under the present law receives \$91 a month; under the proposed legislation he will receive \$98.80 per month, an increase of 8.57 percent or \$7.80 per month.

When a man goes into the service as a recruit he serves for \$78 a month for a period of only 4 months, at which time he is automatically promoted to private. After that the one who remains as a private is the exception rather than the rule. If he has aptitude, if he applies himself, if he is a man you want to keep in the service, he is moved up. The corporal is the fellow who has shown his ability as a soldier, he is now assuming a responsibility, and there we increase him from \$137.59 per month to \$159.90 a

month, an increase of 16.21 percent or \$22.51 per month.

A master sergeant with over 18 years of service, who receives \$275.18 per month, under the proposed legislation will receive \$304.20, an increase of 10.55 percent or \$29.02 per month.

So the matter has been worked out on the basis of spending the money at the points where we need the man, where he is on his way on a career. He is wavering. He is asking himself: Am I going to sign up again or am I going into civilian life?

We are hopeful that with the bill that was passed last year for the reenlistment bonus plus the increases which are provided in this bill by grades and in grades we will be able to attract an additional number. I would not attempt to represent what percentage we will attract, but for every 10 percent that you can, you have saved an awful lot of expense in training.

Of course, the bill provides additional hazard pay. Hazard pay for regular participation in airplane flight and for submarine diving has been in the law for many years. It first came into the law in 1917. It was again brought on the floor in 1949 and was sustained. So we have adopted as the policy of the Government the idea of incentive pay for hazardous duty. If that is correct—and the Congress has many times in the past held it to be correct—you must maintain the proper relationship between base pay and incentive pay. If you offer a man making \$75 a month \$10 in addition for certain other duties that he would perform, you are giving him an incentive, but to a man drawing \$200 a month the \$10 does not constitute anywhere near the incentive that it does to the man in the lower bracket. So that we have here provided for increases, and there again we have given the major portion of those increases to the man that we want to keep the most. The man who is doing the most of the flying will get most of the money by which we increase the incentive pay of the military services.

I believe there is now a vast difference between the attitude of our people toward flight pay, for instance, than there was in 1949. At that time it was predominantly reciprocal engines. Now we are moving over rapidly to jet planes, such planes as crossed the United States yesterday on a transcontinental flight in 3 hours and 46 minutes. The insurance companies recognize this as extrahazardous duty. In fact, we have figures from a number of insurance companies, and four of the large companies in the United States refuse to accept jet pilots at any rate. They will not take them no matter what rate they are willing to pay. There is one company which will take them if they have less than 800 hours of jet plane flying at \$28.50 extra per 1,000 per year. And here again, emphasizing from the point of industry reason why we should attempt to keep the man who has been trained and had service, for the man under 800 hours they want \$28.50 more per 1,000 to insure him, but if he has over 800 hours they will take him for a little less than half of that, \$14.10, emphasizing that

the experience in the mortality rates has proven that experience is what gives us safety in the air.

Now, we have brought into this bill a new item. I said there were many things contributing to our inability to attract and hold people in our regular service. Pay is a major, if not the major, one. I think, personally—I do not know whether anybody else at all agrees with me—that too frequent change of station is equally as important. Surely, all will agree that it is of great importance. I know we have all heard that President and Mrs. Eisenhower, in 35 years of service in the Army, had 35 stations. If you talk to the enlisted men and officers of all of the services, you will find, if they have been in 7 years, they probably have had 7 permanent changes of station. Maybe he did not move every 12 months, but it averaged out to where he moved one time each year. I think that the departments can do a great deal to eliminate that. I think it has been produced in large measure by failure on the part of the departments to institute a long-range personnel planning program. They were worked over before our committee in very considerable detail on that.

The suggestion was made—and I believe it to be a good one—for each permanent change of station, the person who is ordered to change station and actually changes station, and his family moves with him from one station to another, shall be entitled to receive an additional allowance for 1 month; not pay, but the quarters and subsistence allowance for 1 month.

When that matter was presented to the committee, some of us—and I was one—felt that that would do more to aggravate the situation than to cure it. We felt that while we realized—and surely, it is not necessary to explain this to the Members of the House who have to move their families to Washington and back again—that it is an expensive proposition. We felt that there might be an attitude that would grow up or become even more pronounced than it has been in the past in the department, perhaps not at the policy level but at the working level to the effect "What is he kicking about? He is getting paid for it." So there would be no effort to reduce the number of changes of station. So we changed that provision so that this dislocation allowance can be paid only once in any fiscal year except in time of war or national emergency hereafter declared, or in the case of men moving to service schools. That is, only once in a fiscal year, but if exigencies of the service require it, he may be moved oftener than that, but only on the approval of the Secretary of the department concerned.

I think if that does nothing else, it will impress upon all of the military departments the fact that the Congress insists that long-range personnel planning be instituted and that this matter of constant changes of station and of dragging people all over the face of the earth has got to be reduced to a minimum.

The provision of sending the matter for approval to the Secretary may not sound like much of a restriction, but when it comes to the administration of the department, it is a very substantial restriction. It takes the matter of a change of station of an individual out of the military organization and sends it up to the Secretary level, the highest echelon in that department. We have done that concerning a number of other matters in the past, and it has generally worked out when we permitted something to be done only upon the approval of the Secretary, that the number of those activities was minimized, and in some cases eliminated entirely.

I think this will have two effects. It will partially compensate the man who has to tear up his home, take his family and move and reestablish himself in a new home. And, second, I think the department will so administer it as to eliminate many of those changes of station. I think I should say this. At one time there was an attitude upon the part of at least one representative of the department that if you do that the man is going to be moved anyway and he will not get the money. We told him that we realized that that can be done, but that is not the way we think the department will administer it, and we hoped that we did not have to go into the matter and have them explain why that is the way they were administering it. In other words, this means that the Congress says, "You shall reduce the number of these permanent changes of station."

Mr. Chairman, I think I have covered the major provisions of this bill. I stated that it had been reported unanimously by the committee, which spent many days in hearing the testimony and analyzing the provisions of the bill and the pay scales which are incorporated in it. I believe it is as good a pay bill as I have seen drafted in my service in the House. I believe it is one which places the increases provided in the spots where they are needed the most so that we can attract men and hold men. I sincerely trust it will be favorably received by the House and that it will be adopted.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Just as a matter of clarification of a matter which came to my attention just last night, actually, in view of the fact that the bill is to be cited as the Career Incentive Act some of the Reserves have been concerned as to whether or not it has application to the reserve forces. I assured them on my own that it does, but I would like to have it in the Record that these increases of pay, allowances, and so on, have equal application to the Reserve officer or enlisted man whether he be on active duty or on duty for training.

Mr. KILDAY. The gentleman from Maryland is correct. The form of the bill is that we strike out of existing law the pay table under which they are now compensated and we insert the new pay table. Of course, all persons on active duty are compensated the same for the

same rank and length of service. Those who are on training or serve for limited periods of time draw under the same pay table. It is applicable to them in the same way.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. KELLEY of Pennsylvania. I was glad to hear the gentleman say that the committee had taken some action to restrict the services from shifting personnel back and forth across the country and overseas. I know of some instances where it has been a real hardship on the members of the armed services, men with families who are shifted about an average of once a year. In many instances where the family is quite large the individual is put to personal expense in doing so.

Mr. KILDAY. There can be no doubt about it. I think the committee has made it abundantly clear to the departments that we feel there is no necessity for it, and that it has just been due to lax administration.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman made a very significant statement in regard to the cost of training a jet pilot, for example, when he said it costs more than \$200,000.

Mr. KILDAY. That is a jet bomber pilot; \$275,000.

Mr. FISHER. Probably not as high but a somewhat comparable figure would apply to those in electronics and other specialties in all branches of the service; is that true?

Mr. KILDAY. I am glad the gentleman mentioned that. Military organizations nowadays are most complicated. The fellows who carry a rifle and a bayonet and sling grenades are of the greatest importance. But scientific development in electronics has come into the thing in all of the services. The infantryman depends on scientific developments for communications; electronics are used in every phase of military action.

Let us take two situations. The gentleman mentioned the pilot. We inquired of the president of the Airline Pilots Association when he was before us what percentage of the airline pilots had been trained by the military. He answered, "Practically all." We are running a training school. He gave us the rates of pay for first pilots and copilots, and they are most attractive.

Let us get to electronics. We had before us a fire controlman first-class of the Navy. I believe he said he had 14 years of service. He has just completed a course in school here in Washington, a rather long course. Just as soon as he graduated he received a letter from one of the large electrical companies—I do not know which one, and it does not make any difference, but one of the large companies—offering him a job in their organization at twice his Navy pay. They got his name, I assume, from the school or somewhere, and knowing that the Government had spent all that money on him and that he was about to

go on duty to use that knowledge for the benefit of the Government, they offered him twice as much as the Government would pay to come into their private employment.

Mr. FISHER. Could the gentleman elaborate on the rate of turnover generally in the various branches of the service now?

Mr. KILDAY. I gave that, I believe, as fully as I have the figures available here at the moment. We have gone into that in very considerable detail. But I think this is significant, the reenlistment rate in the Navy today is the lowest it has ever been in the entire history of the Navy.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. FULTON. I was particularly interested in the colloquy which was just had with the gentleman about the cost of training people who are jet bomber pilots. Looking at that for a minute, you will find there are jet bomber pilots who are in the Reserve Corps and who are not regular pilots, but who want to be regular pilots. There are World War II pilots who are slightly over age by just a few months and the Air Force wants to keep them in, and they want to make that their career. I know of one who was shot down in the Battle of the Bulge in World War II. He has been in ever since and has just been trained on the new B-47. That man, although he has been in between 12 and 14 years, cannot yet be in the Regular Service. What is the reason for that?

Mr. KILDAY. I do not know just what the reason may be in that particular case. There have been many reasons for such situations.

Mr. FULTON. The man is just slightly overage, perhaps several months overage, where they feel he should be taken into the Regular service.

Mr. KILDAY. That is true.

Mr. FULTON. But, they keep him in the Reserve, do you not see?

Mr. KILDAY. The personnel problems are tremendously difficult. I assume the situation to which the gentleman refers has something to do with the attempt constantly going on, and apparently never successful, of preventing humps. To prevent what caused President Eisenhower to remain a major for a period of 16 years. When you put too many men in one grade, then you slow down the promotions behind him. We have always had a provision in the permanent law that the maximum age for a Regular commission was 27. That was suspended at various times during the integration program. That was regarded as the age at which he was still young enough to have a career and which would qualify him for full active service for 30 years as an officer, or until he was 60, 62, or 64 years of age. So there are many things which enter into it, and perhaps the Department on occasion has been a little bit too technical or too choosy.

Mr. FULTON. If I may ask the gentleman this further question: Why not have a provision that after a man is on active duty and in the Reserve for a period of 10 years, then he automatically

has the right to become a Regular officer in the service?

Mr. KILDAY. Now, I do not think you are going to be able to do that, because, you see, once you get a man in the Army, the Navy, or the Air Force, or anywhere in the Regular service, you have him for life unless you court-martial him and kick him out. Once he is commissioned, you have him until he retires or you get him out by court-martial or retire him for physical disability. So, so long as we have a fluctuating strength, if we overload, and we have had that happen in the past, in 1921, when we had to retire some relatively young men, when we put the retirement on the basis of 3 percent of the pay times the years of service because we had more officers than we could use. That is a most difficult problem, which I assure the gentleman we cannot settle here on the floor of the House.

Mr. FULTON. Is that question being considered?

Mr. KILDAY. There is a bill to do something for the Reserves now pending before the committee, but I do not know the exact details of it.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. McMILLAN. Would the gentleman mind stating for the record the pay and allowances that a second lieutenant gets?

Mr. KILDAY. I figured that out yesterday for the Committee on Rules, but do not have it here at the moment, but our clerk informs me it is \$428, including his subsistence and quarters allowance.

Mr. McMILLAN. I am glad to have that on the record because I believe I have heard remarks on the floor today that they were overpaid, and started at \$500 a month.

Mr. KILDAY. No, sir; I do not think anybody could ever find a second lieutenant who has ever been overpaid.

Mr. SHORT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a good bill. It is sound, constructive legislation which is very much needed and long overdue.

First I want to congratulate the very able and distinguished gentleman from Texas [Mr. KILDAY], and all members of subcommittee No. 2 who held long and thorough hearings on this particular measure. Members of that committee were very faithful and diligent in their attendance. They exercised almost infinite patience and painstaking care in the consideration of the bill, which, as you can see from the tables incorporated in the bill and in the report, is quite intricate and complicated and rather uninteresting. It is like taking a table out of trigonometry or a page of logarithms, but I feel that the full Committee on Armed Services, and every Member of this House, are deeply indebted to the gentleman from Texas [Mr. KILDAY], and all members of his subcommittee who, in my judgment, have done a magnificent job.

There is little I can add to what the gentleman from Texas has said, but I want to point out a few significant facts which I think we should keep uppermost

in our minds. We all know that the armed services cannot compete with the wages or salaries paid in private industry. Of course, pay is not everything. There are other considerations and compensations. Though we spend thousands upon thousands of dollars in educating men in different branches of our armed services, particularly in the scientific field, the field of radar, electronics, and so on, we know that after we spend those thousands of dollars and train those men, along will come General Motors or General Electric or Westinghouse or some other big company and take those men away from us.

This particular bill is not only the product of the Defense Department—in fact, they brought very little, if any, pressure upon us for its consideration. This is a committee bill, and the bill as reported out of our committee unanimously, both by the subcommittee and out of the full committee by a vote of 32 to 0, grants greater increases in pay to all members in all branches of our armed services than were recommended by the Department of Defense itself. I think that is a compliment to the genuine and intense interest that Members of Congress have in the security of the Nation and in the welfare of the personnel in our armed services. We actually voted them more than the services themselves requested, which goes to prove that pay is by no means the only incentive for the men who serve their country.

Now, what does the bill do? It increases the pay of all enlisted personnel with more than 2 years' service. Of course, the draftee is obligated. Do not worry about that incentive for him. He has got to serve his 2 years. We voted an increase in pay for all warrant officers with more than 2 years' service, and of all officers with more than 3 years' service. This increase in pay goes to every man in every branch of our armed services, from buck private to major general, or from seaman to rear admiral. Increases are provided for Reserve officers and also for retired officers. The increase is from 6 to 25 percent of the basic pay. The lowest percentage increase goes to the major general—6.07 percent. The largest percentage increase in pay goes to the second lieutenants—25 percent. The first lieutenants, 22½ percent, because it is from that critical period of their careers as young officers that we lose them unless we can give them at least enough so that they will not have to worry about groceries.

That is what the bill does. It provides for increases in pay not only to members of the Army, the Navy, the Marine Corps, the Air Force, but also the Coast and Geodetic Survey, the Coast Guard, the Public Health Service, and a substantial increase to all midshipmen in the Naval Academy, to all cadets in the Military Academy, the Air Force Academy, and to those in the Coast Guard Academy.

Provisions are also made for dislocation or to give increased travel amounts when a family is compelled to move; and we all hope with the gentleman from Pennsylvania and the gentleman from Texas that there will be fewer moves

made in the future than we have had in the past.

This bill provides an increase in pay for all members of the armed services of \$734 million. Add to that a little more than \$11 million for the Coast Guard, the Coast and Geodetic Survey, the Public Health, and you have a grand total in excess of \$745 million. That is a lot of money and I share the apprehension the gentleman from Mississippi [Mr. COLLIER], expressed in the Rules Committee when we appeared before that body yesterday, at the alarming increased cost of government. But we are concerned even to a greater degree over the safety and security of this Nation; and unless we pass legislation of this sort that will provide a real and an active incentive for bright, young and capable officers to make a military life their career, I fear for the future defense and security of the country.

Let no one here for 1 minute think that this \$745 million is a net increase. I am not so sure but that, in my own little humble, but honest judgment, over a long period of time and after this plan gets into actual operation it will save us money, because the most expensive thing in the world is this quick overturn or rotation of men. As the gentleman from Texas pointed out clearly, the recruit consumes the services of all the fellows who are training him—and it costs approximately \$7,500 a year to equip and train a buck private. If you can hold these officers in the services without that vast and rapid turnover it is going to save the taxpayers untold millions of dollars. And that is a thing I think we should bear in mind. It is shocking to a lot of people to think that it costs \$120,000 to train a jet fighter pilot, and more than a quarter of a million dollars, \$275,000, to train a jet bomber pilot to handle a B-47 or B-52.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. KELLEY of Pennsylvania. It occurs to me that the armed services could save quite a bit of money if they could work out a system which would eliminate this indiscriminate rotation of the personnel of the armed services.

Mr. SHORT. I wish to say to the gentleman from Pennsylvania that our committee has had that matter very much in its mind and we are doing everything we can to lessen it, but it is rather difficult to limit the movement of any branch of our military service or to put them in a straitjacket, because they have got to have a certain flexibility and elasticity to meet changing conditions. Training is not a static thing; it is something that is always more or less in a fluid state.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield further?

Mr. SHORT. I yield.

Mr. KELLEY of Pennsylvania. I realize that you cannot put them in a straitjacket, but it occurs to me, and I imagine to many other people, that you could keep from changing them once a year on an average.

Mr. SHORT. I think the gentleman is absolutely right.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I just want to point out to my very good friend that the pilot to whom the gentleman just referred is flying a piece of equipment that costs a couple of million dollars.

Mr. SHORT. I am very glad that the gentleman points that out. It costs more than \$2 million. I think it would be nearer \$4 million for a B-52 bomber.

Of course, if you can hold this man in the service in whom you have invested such a fabulous sum of money, including the high value of the expensive equipment that he is forced to use, naturally you will save the taxpayers much money because whenever one of these officers leaves the service you have to start from taw, you have to start from scratch, from the very bottom to train someone else to take his place. So I say that while the bill increases the amount of pay for the members of our armed services, Coast Guard, Coast and Geodetic Survey and Public Health by \$745 million, it will over the long pull, in a period of years, result in enormous savings to the taxpayers of the Nation and it will keep this country strong militarily and prepared to defend itself at any and all times instead of our constantly having to train green troops or raw recruits.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. What will happen in reference to the pay of the mechanics who service these boxcars and other valuable equipment? The greatest value is in the precious lives of the pilots and military personnel. It has been brought to my attention that they have had altogether too many accidents and too many deaths in these so-called boxcars and it has been suggested to me by a man who has manufactured airplanes for years, who went down to the airfields and watched the pilots and some of the planes that he believes that they have not in many instances been properly serviced, that the best mechanics are being taken by private industry and that there should be an inducement to keep them in.

Mr. SHORT. I quite agree with the gentleman from Massachusetts. I think no doubt that many of the accidents we have suffered have been due at times to an inadequate force of skilled mechanics and aviation engineers whose services are necessary, because they have to see that that old crate is in good shape before it is ever taken off the ground. Many of these essential men are members of the armed services serving in that capacity and, of course, will get an increase along with every other member of the armed services; but the civilian personnel who are employed by the armed services to assist are not included in this piece of legislation.

Mrs. ROGERS of Massachusetts. Something ought to be done for them because private industry is getting the best ones. I compliment the chairman of the Armed Services Committee, the gentleman from Georgia [Mr. VINSON], and

the ranking minority member, the gentleman from Missouri [Mr. SHORT], and all of the committee for bringing out this fine bill.

Mr. SHORT. It poses a real problem. It is much easier to recognize the problem than it is to solve it.

Mr. Chairman, I want to turn over control of the time for the minority to the gentleman from Illinois [Mr. ARENDS], who is ranking minority member of the subcommittee and who spent more time in the consideration of this particular measure than I have.

Mr. ARENDS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is my good fortune to serve as ranking minority member on the Armed Services Subcommittee of which my distinguished and extremely able friend from Texas [Mr. KILDAY] is the chairman. Frankly, I know no other Member of this body more fully qualified to speak on this subject of military pay, or any other military personnel problem, than the gentleman from Texas.

You know the care and the thoroughness with which the gentleman from Texas approaches all our defense problems and bills taken up by our Armed Services Committee. The measure before us is no exception in this respect. I will even say that my respect and confidence in the judgment of the gentleman from Texas [Mr. KILDAY] is such that I believe I would support this measure even if I had not had the opportunity to be a member of the committee which reported it and to have learned firsthand the urgent need for its enactment.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Missouri.

Mr. SHORT. I overlooked it, and I do not know whether the gentleman is going to or not, but I would like to interpolate at this point that great as that subcommittee is, I do not think you could have done this job without the constant and able help of the smiling Mr. Blandford.

Mr. ARENDS. The gentleman just beat me to it. I was just going to mention the fact that we have one of the most outstanding and capable members of our staff over there by the name of Mr. Blandford. I wonder at times how he retains all these facts and figures and data in his mind that have proven so helpful to us on this subcommittee.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. And you have also a very able man in Mr. Smart, do you not?

Mr. ARENDS. Yes. I say, in fact, we have an exceptional, outstanding staff on the Armed Services Committee.

It is not my purpose, nor desire, to enter into any detailed discussion of the pending bill. It is necessarily a somewhat technical and rather complex subject, as we are here dealing with all the services and all the grades or ranks of those who wear the uniform. The committee report accompanying the bill, supplemented by the thorough presenta-

tion just made by our subcommittee chairman the gentleman from Texas [Mr. KILDAY], leaves little to add as to the purpose of this bill, the absolute necessity for it, and the manner in which it will operate to accomplish the purpose. I do, however, want to make a few general observations.

Let me say, Mr. Chairman, with all the emphasis I can command, that we are faced with a very serious problem with respect to our military personnel. It is serious to those who serve, and it is serious to us as we seek to develop and maintain the best possible in national defense.

I call your attention to the alarming rate we lose each year the trained men who fly our airplanes, sail our ships, and man our defense guns. The reenlistment rate in our armed services is one-half the reenlistment rate that prevailed in 1949. The reenlistment rate in our Navy, composed entirely of volunteers, is the lowest in the recorded history of the Navy. Applications for Regular commissions from among qualified reserve officers—distinguished graduates of ROTC, OCS graduates, NROTC graduates, and other officer programs—are so low that I am seriously concerned as to the caliber of the officer corps that will be leading our Armed Forces in the years ahead.

The Joint Chiefs of Staff on February 20, 1953, issued a memorandum to the Secretary of Defense warning that the present situation with respect to the future of the military service as a career invites and encourages mediocrity in our Armed Forces.

Now, Mr. Chairman, I know I speak for every Member of this House when I say I do not want the young men of this Nation to be led by mediocre officers, commissioned or noncommissioned, at any time, in war or in peace. It is imperative that we provide the incentive that will keep these highly trained, highly skilled, competent men in the service of their country. To provide that incentive I am willing to pay the cost in dollars.

Just as take home pay is important to us in our civilian pursuits, it is important to a military man. You cannot educate your family and provide for the good things of life just on love for the service, however great that love may be. I am convinced in my own mind that many a young man in this Nation who really wanted, deep down in his heart, to make a career in the armed services has had to let the practical consideration of attaining a reasonable standard of living prevent him from so doing. He had his family to think of and the future of his children.

To be sure, pay is not the only answer to this question of making the service a good career. Promotion, retirement, hospitalization, adequate medical care, and adequate housing are all parts of the problem. They are all factors, along with pay, that enter into one's decision whether to follow a military career.

Last year, after long and careful study by the Armed Services Committee, the Congress enacted into law the Officer Grade Limitation Act. That law provides a reasonable grade spread in our

armed services. It permits orderly promotion planning and removes the uncertainty that previously existed with regard to limitations that might be imposed because of the lack of limitations that existed prior to the enactment of that law. Today the promotion pattern is fairly well established not only for the officers but also for the enlisted personnel. I believe that this improved system of promotion provides an incentive for a military career. But it is not in itself enough to make a military career attractive to competent, ambitious young men, particularly considering what such young men can accomplish for themselves and their families in civilian life.

Last year we also passed a Warrant Officer Act which, for the first time, set up a uniform promotion system with attrition to weed out those who do not qualify for promotion. This, too, has been helpful in meeting the problem but still not enough.

All these steps were taken in the last Congress as part of our efforts to establish an attractive career in the military service for the long pull that lies ahead. We recognize that a stable force well in excess of that which can now be maintained on a voluntary basis is the only answer to this constant threat of extinction that now faces us and likely to face us many years from now.

Of course, all of us would like to think that some day our armed services can exist on a purely voluntary basis. I certainly would be the first to say such ideal will not result from the enactment of this bill. Nonetheless, I am definitely convinced that the enactment of this bill, together with the substantial reenlistment bonus law that we passed last year, will considerably increase the reenlistment rate in our armed services. This bill, together with the Warrant Officer Act and Officer Grade Limitation Act I mentioned, will result in more qualified young men applying for regular commissions in our armed services.

We must give all of our career people an incentive to stay in the service. We must show the man in the lower grade that he can aspire to a higher grade with increased emoluments. Remember we are dealing with American boys from American homes who have been reared in American tradition. To these boys opportunity to get ahead, to improve themselves, is vitally important. That is as it should be. And we must show them that a military life offers such opportunities in accordance with the best American tradition.

In this connection, I should like to call your special attention to the new pay scales for warrant officers. The committee revised these scales to fit the new Warrant Officer Act, and this will provide considerable incentive for enlisted men to aspire to warrant grade.

By this legislation we seek to put into effect the principle of increased pay for increased responsibility. We seek to provide an incentive not only to remain in the service but to work to improve one's self in the service. We thereby improve the entire service.

At best, service life is not easy. Dollars in a pay envelope cannot compensate for separation from home and fam-

ily. Pay will not compensate for the inability of the average serviceman to take roots in one town and live there for a long period of time. Pay will not compensate for taking the youngsters out of school in one State and putting them in school in another State or another country. But it will help compensate. It will help provide an incentive to serve. At least it will be a strong indication to the men and women who dedicate their lives to the military service that the Congress of the United States is keenly interested in their welfare.

Mr. Chairman, I do most sincerely hope that this bill will pass this House with an overwhelming vote as it has been reported by the Committee on Armed Services.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the distinguished chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Chairman, today the House of Representatives will make a major decision affecting the future of our Armed Forces.

As I see the situation we can adopt one of two alternatives—we can pass the proposed legislation and provide a sufficient inducement in pay so that men will make a career of our armed services, or we can do nothing and continue to pay the fantastic training costs brought about by the excessive turnover in our armed forces.

I think it is imperative that we keep in mind at all times that it costs the taxpayers \$3,200 for each inductee or recruit who enters our armed services. Every new man must undergo basic training and at the end of 6 months we have an initial \$3,200 investment in that individual.

If this were the only cost involved, the situation could be tolerated. But to this must be added the other expenses of schooling that are necessary in all of our armed services.

We live in a complex age. It is no longer sufficient that a man merely knows how to fire a rifle or do squads right. Today a soldier, sailor, airman, or marine must have better qualifications than those that prevailed prior to World War II. We need electronics men, ordnance experts, communicators, ordnance repairmen, guided missile experts, men trained in nuclear weapons, men trained in defense against nuclear weapons, aircraft mechanics, radio mechanics, and a multitude of other specialties. A radio repairman's training exceeds \$9,000; to make a man an electronics technician costs approximately \$8,900; to produce a radar repairman involves a training cost of \$12,870; aircraft mechanics cost \$7,950 apiece.

Now there are just a few examples of the training costs involved in a handful of our specialties in the Armed Forces. To this must be added hundreds of other categories involving special training. A

modern armed force involves the latest techniques in communications, weapons, and transportation. We cannot sit idly by and rest upon the knowledge that was sufficient to win World War II. We must always keep our Armed Forces in a superior position with respect to the technological advances of warfare.

Think of these costs for a minute: It costs \$120,000 to train an F94C jet pilot; a B-47 pilot's training costs \$275,000. These are fantastic figures, but they represent the investment the American people have in men who possess the capabilities that they have acquired as a result of their training in the armed services. Are we going to be pennywise and pound foolish and do nothing to retain these men? Are we going to have to continue to duplicate and reduplicate the training costs involved as a result of these men leaving the service? We are going to lose 4,500 pilots in fiscal 1956. That is the present estimate. If we could keep half of these men, we would save millions.

Mr. Chairman, I do not contend for one moment that the proposed legislation is the answer to all of our problems with regard to the fantastic turnover in our armed services.

But I do say that it will have a marked effect upon this turnover and will reduce it to a more acceptable figure. Perhaps 1 day we will reach that ultimate desirable goal of an all-volunteer force. The proposed legislation is a step in that direction. And for every man who reenlists in our armed services there is one less individual who has to be drafted. Every officer who remains in our armed services on a career basis is one less officer who must be put through the training mill to acquire the skills that are absolutely essential for the defense of this Nation.

The passage of this legislation will not stop inductions; it will not stop ordering ROTC graduates to duty; it will not stop training of new men, but it will reduce those training costs and it will go a long way toward protecting the absolutely incredible investment that we have in the thousands and thousands of young men who today possess the knowledge that will make it possible for us to survive as a nation if another war becomes our fate. And, while it is impossible to estimate, any reduction in our present turnover cannot help but increase the efficiency of our combat forces. To me the choice is clear—we must make every reasonable effort to retain these men in service.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, for many years I have introduced legislation designed to increase the pay of military personnel. In each instance consideration of the bill was delayed because of the refusal of the Bureau of the Budget to support such legislation.

While congressional action was delayed we all know what happened to the morale of our Armed Forces, as evidenced by the almost unbelievable number of resignations by officers and the refusal of enlisted personnel to renew their enlistment.

By passing this bill today, the House will have performed the best single thing it has done since the end of World War II on behalf of the career personnel in the armed services.

This is a good bill—a thoroughly sound measure—and let us hope that its final enactment will be speeded by the Senate.

It is a bill that I know will be greatly welcomed throughout the services.

It will bring some long-overdue and badly needed pay relief to the gallant men and women who have remained on active duty beyond the time the law requires them to serve.

By continuing to perform their duties during these critical days, they have contributed a tremendous lot to the security and welfare of this great Nation.

They have done so in countless cases at the cost of hardship and privation to themselves and their families—and with very little thanks or real recognition from Congress or the other people of this country.

Those who choose to make a career of military or naval service do so with the knowledge that they are probably the most underpaid group of people, not only in the civilian economy, but in Government as well.

They do not work under any 8-hour day.

Neither do they get any overtime pay for the many longer days they often put in.

Nor do they have any unions or wage bargainners.

They have only Congress—and we certainly have not done overly well by them—in recent years.

We have allowed their pay to lag farther behind the rising national economy and cost of living than for any other group.

But pay alone is not, and never has been, the only element that makes a career in the armed services acceptable as a way of life.

This fact has always been accepted and recognized by the Congress and by those in service.

We could not possibly afford to pay enough in dollars for the hazards that must be accepted—or for the countless technical skills that are so urgently needed.

Nor could we pay in dollars and cents for the long absences from home and family—or for the faithful, unsung, unnoticed performance of duty on ships and aircraft, regiments, and stations throughout the world, 24 hours a day.

How many of us have ever stood on board an aircraft carrier in the black of night watching the clockwork team precision that enables jet planes to take off and land on that pitching deck? But it goes on somewhere—every night of the week.

How many of us are familiar with the heavy tasks and great skills that are constantly demanded of the air crews in the heavy bombers of the Strategic Air Command?

How many of us know about the fantastically complex electronic and other technical equipment that must be kept repaired and operating in all the services?

How many of us have stopped to think that in this day of specialization, one of the rarest and most valuable of all specialists is the well-trained combat leader—the man who is competent to lead our sons amidst the great dangers and difficulties of actual combat. The sergeant, the platoon leader, the ship captain, the regimental commander, the squadron leader.

No, we cannot pay in dollars what these people are worth to the Nation, nor what private business can, and does, pay for comparable skill and responsibility.

Mr. Chairman, it has always been traditional for certain other benefits to be made available to military personnel, to partially compensate for their relatively low pay.

These have included such things as commissary privileges, medical care for dependents, housing, the advantages of post exchange stores, certain tax benefits, to name some of the principal ones.

What has happened to those privileges—the so-called fringe benefits?

We all know what has happened. We the Congress have either taken them away ourselves, or have permitted them to be hacked down to nothing by others.

What have been the results of this neglect on our part?

First, it has amounted to actual and entirely unjustified reductions in pay to service personnel.

Secondly, and perhaps of even greater seriousness and significance, this continuing reduction of fringe benefits is regarded by the average officer and enlisted man as lack of recognition by the Congress, which of course it is.

They feel it is a blow to the traditional prestige and the high regard in which we formerly held those in military service.

I ask you when at any other time in our history has it ever been more urgent, more important, that our military services be manned from among the very best, the most competent, loyal and courageous of our citizens?

Let us, through the passage of this bill, reaffirm our esteem and our great faith and confidence in the career men and women of our Armed Forces.

We will be doing a fine and a just thing in passing this pay bill.

After passing this bill, we should give serious attention to restoring the other benefits that have been constantly chipped away and removed during the past 9 years.

Let us make it perfectly plain that we intend to compensate our military forces with adequate pay and to restore other rightful benefits. By doing so we will be telling all of these fine men and women that we do recognize and appreciate the great service they are rendering to the Nation and to the free world.

Mr. Chairman, in concluding my appeal for support of this bill, I want to point out that not only will the Regulars benefit from the granting of a pay increase, but likewise the Reserves on active duty.

In addition to the Reserves on active duty, those who attend drills and take annual training in order to maintain their efficiency will benefit from this bill

since they receive the same pay as the Regulars.

For an illustration, a Reserve who is authorized to attend drills will receive one-thirtieth of his monthly pay rate, and when on active duty for training he receives a day's pay for each day of training commensurate with his rate or rank.

Mr. Chairman, this bill, when it becomes law, as I hope it will at an early date, will not only benefit the Regulars but likewise the thousands of officers and enlisted men in our military Reserves.

Mr. WILSON of California. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WILSON of California. Mr. Chairman, today, with the House considering the Career Incentive Act of 1955, we have heard considerable testimony about the necessity of attracting and keeping highly skilled young men in our jet-powered Navy and Air Force. As evidence of the tremendous growth of jet activity in the Navy, I ask unanimous consent to include as a portion of my remarks a recent article from the San Diego Evening Tribune of March 7, 1955, detailing the jet activities at Miramar Naval Air Station, at San Diego, Calif., under the able command of Capt. D. L. Mills, United States Navy.

Since Miramar is one of the leading naval air bases in the country, it seems highly fitting that one of the Nation's most beloved naval air advocates, Adm. Marc Mitscher, be honored by naming this field after him. Consequently, I have recently appealed to the Secretary of the Navy, the Honorable Charles S. Thomas, to give consideration to the communitywide support for such a move by naming the flying field portion of the Miramar Naval Air Station after Pete Mitscher.

I know that such action would be welcomed by Captain Mills and his officers and men, who remember Admiral Mitscher as the pilots' admiral and who, like Mitscher, are dedicated to the improvement of the naval air service.

The Evening Tribune article follows:

AIR BASE EXPANDING AT JET-LIKE SPEED

(By John Bunker)

The Miramar Naval Air Station is growing with a jet age zip.

Almost 400 jet planes now are based at Miramar, making it the largest operational fleet support air station in the Navy.

Expansion plans include new shops, barracks, hangars, roads, runways, storehouses, and other facilities.

By 1960 the Navy plans to have spent \$80 million on this mesa-top field. About \$38,500,000 has been spent to date to make it the Navy's largest master jet airfield.

KEY AIR STATION

Miramar is the key air station in the San Diego area, with satellites consisting of the Brown Naval Auxiliary Air Station 20 miles to the south near the Mexican border and the naval auxiliary air station at El Centro, 85 miles to the east of Miramar.

The naval air station at North Island serves as a coastal terminal for the repair of aircraft and the berthing of carriers.

Miramar is a dramatic example of what a typical Navy installation means to San Diego in terms of jobs and as a customer for local purveyors.

In 1939 Miramar consisted of a mooring mast for a dirigible and a bombing target for aircraft. During the next few years it will become one of the largest and most modern military airfields in the world.

The field is used for operational training; for the regrouping and reforming of pilots for assignment to carriers of the Pacific Fleet. Here fliers learn to operate new types of aircraft like the FJF3, Fury and the FTUF3 Cutlass.

They test new flying gear; practice fighter techniques; keep pace with the constantly changing demands of high altitude flight for enemy bomber and missile interception.

Miramar-based aircraft belong to 4 carrier air groups, plus 2 air task groups, a tactical photo squadron, and a long-range photographic squadron.

Naval Air Reserve squadrons use the field for 2 weeks of annual training.

In addition, Miramar soon will become a west coast stock point for guided missiles launched from planes. According to Capt. D. L. Mills, Miramar commander, this activity will become one of the field's prime functions, supplying all west coast and Pacific Fleet units with air-to-air missiles.

During 1955, Mills says, \$3 million will be spent by the station for operating expenses.

Two million dollars will go to salaries of civilian plumbers, carpenters, electricians, garbage collectors, janitors, and drivers. About \$90,000 will be spent at San Diego stores for auto parts, janitor supplies, and other retail items used in day-by-day operation of the field.

San Diego will bill Miramar for \$40,000 worth of water. Its other utility bills will be \$45,000 for gas, \$90,000 for electricity, and \$44,000 for telephone service, all of which contribute substantially to job making, public utility plants in the San Diego area.

In 1954, Miramar spent \$337,500 for supplies purchased in San Diego, Mills said.

This does not include money flowing into the San Diego economy from pay checks of Miramar officers and enlisted personnel.

This payroll has been running around \$6,520,000 a year. Mills estimates it will eventually top \$10 million a year.

Hundreds of jobs and millions of dollars in payrolls and locally purchased supplies will result from Miramar's program of future construction.

By early summer of 1955, more than \$5 million in new buildings and service facilities will be underway.

This will include a \$2,630,000 hangar, more than \$1 million worth of radio communications equipment, a \$400,000 radar air traffic control center, extension of sewers and utilities, a runway lighting system, and other facilities.

Mr. RIVERS. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. HAYS] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HAYS of Arkansas. Mr. Chairman, I regret that I cannot be present for the rollcall on this pending bill. I favor this measure and wish to commend the Committee on Armed Services for its comprehensive study and recommendations with reference to the needs of our men and women in service. If present for the rollcall, I would vote "aye."

Mr. KILDAY. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, like the rest who preceded me, I consider myself very privileged to have served on this committee with the distinguished gentleman from Texas [Mr. KILDAY]. I can attest to you we really burned the midnight oil in trying to resolve this question and to present it to you for your consideration. Today at least 10 million eyes are focused on the House of Representatives. Three million plus in the military and at least 7 million dependents, some of them up in the gallery looking to see what we are going to do for them and for their loved ones who wear the uniform of this country. This bill, which we have reported out unanimously from the subcommittee and on up through the large committee, is our own thinking and our own doing for and on behalf of those whom we have serving in the military. As long as you and I live—as long as you and I live—we are going to live in an armed camp and we are going to have a great segment of the world pointing daggers at our very hearts. We cannot afford not to have the finest military men on earth to occupy the billets which they now occupy. They occupy places all over the earth, in Africa where they have nothing but sand, morning, noon, and night. In the southwest area of the world and the dry and arid countries, and in the far north, way up in Alaska. They do not have any bed of roses, and the least we can do is in some measure to remunerate them for the great sacrifices they are performing on our behalf because of sheer necessity. Sixty-five cents out of every taxable dollar goes for the upkeep of the military. That is not small change. This military is big business—big business. It is the biggest business on earth, as Secretary Humphrey has said. There is nothing to compare with the United States Government or the military—there is nothing by comparison. The man who headed the biggest corporation on earth, Charlie Wilson, who is now the head of the Department of Defense, finds out that General Motors is a drop in the bucket by comparison. It requires smart people to run this military. The gentleman from Texas [Mr. KILDAY] has related to you how it requires two-hundred-and-seventy-thousand-odd dollars to train one of Curtis LeMay's boys to fly one of those B-47's or B-52's or B-36's, and one-hundred-and-twenty-five-thousand-odd dollars to turn out one of these jet fighter-bomber flyers. They are no longer fighters; they are fighter-bombers which span this continent in fewer than 4 hours. They have to be smart to go into this military. We cannot pay them what they are worth. We realize that. It is just a gesture on our part to in some measure remunerate them and their loved ones for what they have to endure. We are losing these men in this critical period. We are losing that first lieutenant and that captain and their counterparts in the Navy. That is where we are losing them, and when we have gotten this money invested, we have to try to retain them. This is only one factor of

what we are trying to do—housing, and hospitalization, and other fringe benefits.

We do not claim that this legislation is any adequate because no man can be paid enough money to give his life if necessary for any cause. This legislation is only one of the factors in the over-all problem that confronts the men in service and their dependents.

Never in the record history of this Nation have reenlistments gone to such a low level as now. From the President of the United States down to every responsible individual in the Government comes testimony that the man in the service is inadequately paid, inadequately housed and inadequately provided with dependent medical care.

The instant proposal before you is, as our distinguished chairman has related, an orderly process by which we will try and point out to the men and women in the service that there is an incentive to remain in uniform and to progress as this service continues.

The largest percentage increase for officers is in the grade of first lieutenant and second lieutenant, to wit, 22 percent and 25 percent respectively, the smallest increase is for officers in the grade of major general with less than 26 years service. This is roughly an increase of 6 percent.

I desire to address you today on that phase of this bill which relates to incentive pay for hazardous duty and I direct my remarks first to submarine duty and then to flight duty in this age we call the jet age.

Since the end of World War II, submarine design has made rapid advancements, particularly in the field of high underwater speed and in the submarine's ability to dive deeper depths than those attained during World War II. The development of the Guppy type submarine, which was an efficient modernization of our Reserve Fleet submarines left over from World War II, and the recent acquisition of the atomic-powered submarine have introduced a new phase of American submarine operations. We are now entering the era of long-range, continuous high speed, deep submergence type submarines. These new characteristics have introduced additional hazards. Furthermore, the fact that the new atomic-powered submarine may remain submerged for extremely long periods of time means that the officers and men attached to such a type submarine will be required to remain in congested spaces without benefit of fresh air and sunshine for those long durations, one mistake from disaster.

It is absolutely essential that the quality and efficiency of all officers and men serving in submarines be of the highest order; submarine operations depend entirely on the perfect effectiveness of the team as a whole. A mistake made by one individual may cost the lives of all. It is therefore necessary that we do everything possible to retain the highest quality personnel in submarine service. To obtain such quality a volunteer service is needed to assure proper selectivity. To provide for such a voluntary service, incentive pay is mandatory for it has been proven in the past that there are not enough men in the Navy who will

volunteer for submarine service just because they have a desire to serve in submarines. There are not too many individuals who like to spend years of service in the extremely congested confines of a submarine with its high hazardous potential existing at all times. This statement can be supported by looking to the past history of incentive pay for submarine duty.

In 1928 the Congress of the United States enacted a law which provided incentive pay for submarine duty; this law was brought about after the disastrous sinking of the U. S. S. *S-4*. Prior to 1928 no submarine pay existed for officers. As a result, the officer class at the submarine school in New London had about a 12- to 15-percent volunteer enrollment; for example, in the fall class of 1928, there were but 5 volunteers out of a class of 40. The remaining were draftees who did not particularly desire submarine duty and who served in it only as long as they were required to do so.

In the case of the enlisted man at that time, the situation was not much different. They received a dollar to dive up to a total of 20 dives per month. The incentive was not enough to attract men of high intelligence.

The result was that the quality of the personnel of the submarine force prior to 1928 was well below the average of the overall Navy.

What was the effect of this lower quality of personnel on submarine operations? During the period of 13 years prior to 1928 there were 17 serious submarine accidents which resulted in heavy loss of life. These accidents varied in type from submarine battery explosions to the complete loss of the submarine with all hands aboard.

By contrast let us now look at the submarine-personnel situation in the years following the introduction of submarine pay. From 1928 on, volunteers for both officer and enlisted duty in submarines greatly exceeded the numbers required for submarine duty. Thus we see the immediate effect of incentive pay in that the Navy was in a position to select the higher quality candidates who were volunteering. This condition existed even during World War II.

Better and much safer operational results also were realized in the period subsequent to 1928 and prior to 1941; there were but two serious submarine accidents involving loss of life during that time and one of these was probably caused by faulty material.

More important is the fact that when we entered World War II, our submarine service was fortunate in having the highest quality of personnel in both the officer and the enlisted categories. The successes of the submarine service in World War II indicate the results of this fortunate condition.

For the first 5 or 6 years following World War II, the submarine service had a large pool of excess submarine officers and men to draw from because of the reduced numbers of submarines in operation in our postwar Navy.

Since 1949, however, this pool no longer existed and we now see a definite trend downward in the recruitment of volunteers for submarine service. For exam-

ple, in 1949 there were over 300 applicants for the 60 vacancies in the 6 months' officer class at submarine school, a 5-to-1 selectivity. In the last class of calendar 1954 there were but 209 applications for a class of 120 or a 2-to-1 selectivity. For the class entering on July 1 of this year with the applications deadline of March 1, 1955, there are but 107 applications for the 120 vacancies in that class. Thus, for the first time the quota for submarine school will not be filled.

At the same time, the resignation rate of officers in the submarine service is now over four times that which it was in 1949; most of these officers are young lieutenants.

One of the obvious answers to the foregoing is the fact that the incentive pay for hazardous duty is not as attractive to the young officers as it was during World War II when it was 50 percent of his base pay.

The case of the enlisted man is quite similar, particularly in the senior enlisted grades. The chief petty officer, for instance, does not receive enough incentive pay for hazardous duty to make it worth his while to serve in the less desirable type of duty with its added hazard. This is particularly true when he can enjoy sea duty aboard a submarine tender or some other form of surface ship with its comforts and less confined areas.

With this downward trend of interest in submarine duty since 1949 we begin to see a lessening in personnel quality and thus we are once again beginning to have accidents and many close calls. Since 1949 we have had the loss due to fire of 1 submarine off the coast of Norway, which would have been extremely disastrous had not another submarine been in the vicinity; all but 5 of the stricken submarine crew were rescued. More recently in the case of the U. S. S. *Pomodon*, which suffered a battery explosion in the San Francisco shipyard with a loss of five persons. In addition to that, we have had several close calls when submarines acting as targets for advanced antisubmarine warfare training have been hit by surface ships. So far these have resulted only in material damage to the submarine, fortunately without any loss of life to date.

Mr. Chairman, I believe it is absolutely essential that the incentive hazardous duty pay for submarine duty be increased as proposed in H. R. 2607; the recommended increases place particular emphasis on raising the incentive pay in the greatest amount for the younger officer and the enlisted man. These are the men who comprise the bulk of the submarine service. I urge the enactment of this bill.

FLIGHT PAY

Mr. Chairman, a few years ago we considered this country and even this continent an impregnable fortress, surrounded by 3,000 miles of ocean, adequately defended by our great Navy. Over a year ago, a B-47 jet bomber crossed the Atlantic in about 4½ hours. In May of 1953 the crew of a B-47 bomber remained aloft for 24 hours with the aid of in-flight refueling. During this period they flew more than 12,000

miles. At midpoint of the flight, they dropped a dummy 10,000-pound bomb to simulate an actual combat mission. This is a distance greater than a flight from San Antonio, Tex., to Moscow and return. You have only to reverse the point of departure to realize the significance of this flight.

Today, it is clear that our fortress is no longer impregnable by virtue of our geographical position. The United States, for the first time since the colonial wars, is called upon to provide defense of its cities and its institutions against a foreign power. We are trying to push this defense as close to the source of a possible attack as we can get, and we must build the maximum retaliatory power this country can afford to counter such an attack if it should be forced upon us.

To get this defense in the air we have committed ourselves to a qualitative rather than a quantitative superiority over a possible aggressor. We want and expect American industry to build the best airplanes in the world. We are spending billions to accomplish this purpose. We want and expect our armed services to train the best pilots and air crews in the world.

The race for technological superiority has brought us to the jet aircraft, the intercontinental missile, and the atomic submarine. But it has not yet fashioned a substitute for the human pilot and the human mind. It has brought us the jet age, but it has not brought us a new species of human being to man and operate the weapon systems it has developed.

We have had to devise means to suit the man to this new and dangerous environment. We have provided him with pressurized cabins and pressure suits to enable him to live and fight at altitudes up to 10 miles above the earth. Our scientists have provided him with pressurized oxygen and forced it into his lungs at altitudes where his own lungs are incapable of maintaining life without this help. We have provided him with a .37-millimeter cannon shell to catapult him out of disabled aircraft at speeds which make it impossible for him to abandon his aircraft under his own power. We have provided him with G-suits to increase the limits of human tolerance to aid him to fight against forces of gravity which drain away his consciousness in seconds.

We have taken this human being who has changed little since the time of Christ and we have placed him in an environment where his weapons, are almost as deadly as his enemy. We have picked men to man these weapons, we have weeded out in our training programs all but the fittest, we have crammed their heads with knowledge of mathematics, of engineering, aerodynamics, navigation, and many other branches of science. We have spent years, and in some cases hundreds of thousands of dollars in their training.

I have mentioned these facts to demonstrate that our scientists have already built machines which are beyond the limits of human capability to operate without similar scientific devices to increase that capability. These same

scientists will tell you that we have only reached the frontier of aircraft development. They will also tell you that the machines can be no better than the men who employ them.

What, then, are we asking of the men who fly these aircraft of the jet age? First, we are asking that they undertake long and rigorous training to prepare themselves to enter into unknown and unfamiliar areas of altitudes, speeds, and distances which were undreamed of just a few short years ago. Next, we are asking that they undergo the stresses and strains of preparedness for instant combat. The defense of our cities against atomic attack cannot wait for months, weeks, or even days of refresher training for the interceptor crews of our Air Defense Command. To be effective, the retaliatory power of our Strategic Air Command must be maintained in a state of continuous readiness to strike back at any potential aggressor. The men of the 7th Fleet must be prepared to perform whatever mission is required, in areas less than 10 minutes flying time away from hostile shore.

This state of instant readiness against attack is a requirement this country is experiencing for the first time. It requires long hours of constant alert for our fighter interceptor crews. We have heard testimony that these crews are required to spend up to 60 hours per week at the end of the runways of our ADC bases waiting for a signal to scramble within 2 or 3 minutes to check on unidentified aircraft. It requires that we station men in remote areas where living conditions are little better than primitive. Some of these bases have no dependent housing at all, which means involuntary separation from home and family. We are asking for sacrifices in peacetime which have been required only in times of war.

Mr. Chairman, Air Force Secretary Talbott has stated that we must be prepared to maintain—and I quote—"a day and night watch for the rest of our lives. We cannot maintain this watch with amateurs."

Mr. Chairman, we can never pay these men for the hazards, the discomforts, the strain, and the tensions they must undergo. We can only offer to those who will serve in these vital and dangerous duties a standard of living which is comparable to that promised in other forms of endeavor. In justice and to face reality, we must pay a premium to induce our young men to gamble with their lives.

The provisions of this bill have been under study for many months. We have held hearings for a period of more than a month. I am convinced that it is the least we can offer if we are to maintain the security this jet age demands. I, therefore, urge its enactment.

Mr. Chairman, in summarizing our proposal to the House today, the proposed legislation provides increases in pay for all enlisted personnel with over 2 years of service, for all warrant officers with over 2 years of service, and for all officers with over 3 years of service, in an amount of not less than 6 percent of basic pay.

The largest percentage increase for officers is in the grades of first lieutenant and second lieutenant—22.33 and 25 percent, respectively, with over 3 years' service. The smallest percentage increase for officers is in the grade of major general with less than 26 years of service with an increase of 6.07 percent. The largest dollar increase for officers in the basic pay tables is for the brigadier general who completes more than 30 years of service where the increase amounts to \$107.64 per month. On the other hand, first lieutenants with over 3 years of service will receive a \$61.22-per-month increase, while captains with over 6 years of service will receive a \$49.92 increase per month.

In the enlisted grades the largest percentage increase is for the E-4 (corporal in the Army, sergeant in the Marine Corps) with over 8 years of service who receives a 17.35 percent increase amounting to \$26.52 per month. The largest dollar increase for enlisted personnel is in the grade of master sergeant with over 26 years of service who receives an increase of \$29.64 per month.

The pay scale is based upon a formula, taking into consideration the recommendations of the Hook commission, the 4-percent increase in pay enacted by Congress in 1952, and increased increments in pay periods following a normal career pattern. Under present law, an increment increase in pay is the increase authorized within the same grade for additional years of service. In the enlisted grades, these increments increase every 2 years, until reaching a maximum career point, or until 18 years of service. Thereafter, increments are doubled, but only upon the completion of 4 years of service. The officer pay scale is constructed along similar lines. In the case of enlisted personnel, the increment amounts to \$7.08 per month; in the case of officers the increase amounts to approximately \$15 per month. The proposed pay scales are constructed along similar lines, but in some cases increments have been increased. For example, there are double increments in pay for the E-3 who remains in service over 3 years and completes more than 4 years of service. There is likewise a double increment in pay for the E-4 who moves from over 3 years of service to over 4 years of service. There is a double increment for the E-5 who moves from over 3 years to over 4 years of service. There is a one and one-half pay increment for the E-6 who moves from over 8 to over 10 years of service and a double increment in pay for the master sergeant who moves from over 16 to 18 years of service. On the other hand, the E-6 who moves from over 4 to over 6 years of service receives two and one-half increments at this critical point in the career pattern.

Among the officers, second lieutenants with over 3 years of service receive a double increment in pay and first lieutenants with over 3 years of service likewise receive a double increment in pay.

Captains with over 4 years of service get a double increment in pay as do captains with over 6 years of service; majors with over 8 years of service receive a

double increment in pay, as do majors with over 10 years of service.

Lieutenant colonels receive a double increment in pay with over 12 years of service, and likewise with over 14 years of service. Colonels with over 16 years of service receive a double increment in pay, as do colonels with over 18 years of service. Brigadier generals with over 26 years of service receive a double increment in pay, as do brigadier generals with over 30 years of service. Major generals with over 30 years of service receive a double increment in pay.

The pay increase for senior officers is obviously not necessary in order to keep these officers on active duty. They have already acquired a considerable equity in retirement and obviously, except in rare cases, could not surrender this equity. But the Committee on Armed Services has been impressed with the arguments presented from many sources that young officers on active duty today are refusing to enter the armed services as a career because of the lack of incentive now present in the pay scales for senior officers.

The Department of Defense originally recommended a further increase in pay for major generals upon the completion of more than 35 years of service. The committee rejected this proposal.

The proposed legislation provides substantial increases in incentive pay for those engaged in flying and submarine duty.

The increases amount to \$15 monthly for major generals and \$10 for brigadier generals, \$10 per month for colonels with over 16 years of service, and \$35 for colonels with over 18 years of service; \$45 a month for lieutenant colonels with over 14 years of service, \$65 a month for majors with over 12 years of service, \$60 a month for captains with over 6 years of service, \$40 a month for first lieutenants with over 3 years of service and \$35 a month for second lieutenants with over 3 years of service.

In the enlisted grades, flying and submarine pay is increased by \$30 per month for master sergeants, \$32.50 for technical sergeants, \$30 for staff sergeants, \$25.50 for sergeants, \$15 for corporals, \$22.50 for private first class, and \$25 a month for privates. The increases have been related to basic pay and are constructed on years of service and grade. Again, the increases are more substantial in the critical career area.

The proposed legislation, in addition to increasing flight pay and submarine pay, also increases all other incentive pays by 10 percent.

Retired personnel drawing retirement pay under the Career Compensation Act will be entitled to have their retired pay computed on the pay scales of the Career Compensation Act as amended by the proposed legislation. In view of the fact that certain officers, warrant officers and enlisted personnel have retired for disability before completing 3 years of service as an officer, or 2 years of service as a warrant officer or enlisted man, and would not otherwise receive an increase under the proposed legislation, a specific provision provides that these individuals will be entitled to retirement pay based upon the basic pay to which

they are now entitled, plus a 6 percent increase.

Retired personnel entitled to retirement pay under laws other than the Career Compensation Act receive a flat 6 percent increase in their present retired pay.

The proposed legislation provides for a dislocation allowance for members of the armed services who are entitled to move with their dependents at Government expense. In view of the fact that the present reimbursement system is completely inadequate for members of the armed services who move with dependents, the committee has adopted a recommendation of the Department of Defense that such members be entitled to a dislocation allowance in the amount of 1 month's quarters allowance if they undergo a permanent change of station. However, this allowance will only be payable for one permanent change of station in each fiscal year except for individuals who are assigned to service schools. If an additional permanent change of station is required during any fiscal year other than to a service school, the allowance may not be paid except upon a finding of the Secretary concerned that the exigencies of the service require more than one such change of station during any fiscal year. The limitation with regard to only one payment during any fiscal year will not be applicable in time of war or national emergency declared since and during these periods it can be expected that there will be a large number of permanent changes of station depending upon the particular type of military operation involved.

The proposed legislation also increases per diem from \$9 to \$12 in the case of those individuals who are entitled to such per-diem allowances upon being away from a permanent-duty station. This action is taken in anticipation of a similar proposal which may be considered by the Congress during this session for civilian employees of the Federal Government.

There is likewise a substantial increase in the proposed legislation for aviation cadets. Under present law, aviation cadets are prohibited from receiving flight pay and are limited to a monthly pay of \$109.20. The committee adopted the recommendation of the Department of Defense that aviation cadets be entitled to 50 percent of the pay of a second lieutenant with under 2 years of service—\$111.15 per month—and flight pay of \$50 per month, when actually engaged in flying duty. The pay of aviation cadets engaged in flying would thus be increased to \$161.15 per month.

The proposed legislation would involve an annual expenditure for members of the armed services for fiscal 1956 of \$734,045,571. In addition, the increase with respect to the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service for fiscal 1956 will be \$11,797,444. Thus the total cost of the bill for fiscal 1956 will be \$745,845,015.

In that connection I cannot pass over lightly what the Defense Department is doing to some of our benefits. The Congress of the United States passed a law

providing six doctors for every thousand men in the military. The Congress passed that law. They have whittled that down to 3.2. That is what the Defense Department has done.

Yesterday I read a short article which I could hardly believe, and I do not believe it can be attributed to that great American, Herbert Hoover, and he is a great American. The Hoover Commission recommends closing certain dependents' hospitals in the Norfolk area, which is a tragedy. I lay it at the door of the American Medical Association. I do not believe the Hoover Commission can be charged with that. I say here and now I am going to make a speech on that in a few days, and I want to give ample notice, because I am really going to expose somebody. I am going to expose those babies who are cutting these dependents while their boys are marching off to war and are sailing our ships all over the world. I am not going to take it lying down, because this Congress has guaranteed certain benefits.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Virginia.

Mr. HARDY. I appreciate the gentleman's bringing up this suggestion that the family hospital medical care facilities in the Norfolk area should be closed. It would be a tragedy if it should occur, notwithstanding the fact that it came out of the Hoover Commission.

Mr. RIVERS. I do not believe Mr. Hoover knows what that is.

But I want to address my remarks to what is done in connection with the incentive pay for these submarines and the Air Force. At the outset let me tell you if anybody is suffering from claustrophobia, stay out of the submarine business, because you go a long way down into the sea. The submarine is always one mistake away from disaster. You had better get people on that submarine who get along well with each other. They do not have the advantage of the fresh air and sunshine on board ship. Consequently, it requires infinite skill and patience and ability to get along with each other in the selection of the men qualified to man and operate one of these things. They go on these long tiresome trips. They have everything on earth inside of that submarine. I am going to relate to you just what is happening in the submarine service since we passed the law creating this after 1949.

I was at the new Air Force field in Colorado, Lowry Field. A representative of some big corporation went to the commanding general of that field and he said to him, "I want to be honest with you. Do you know why I am here? The minute you release these boys you have been training down at Keesler Field in Mississippi and at Lowry Field in electronics and radar and all kinds of electronic gadgets, I am going to pay him three times what you can offer him. I thought I would tell you so that you could be on the lookout." That is what is happening, as the gentleman from Missouri [Mr. SHORT] said with that clarity of which he is so capable. We are running a training school; indus-

try benefits. This is only one of the factors. We are trying to retain these men in this critical period when we need them so badly.

Take flight pay. Do you think any of these boys running these jet airplanes are doing so because they like it? It is not child's play breaking the sound barrier; that is not child's play, that is a man's game; and if we are going to keep able men in these jet planes—the reciprocal engine is on its way out; it is either obsolescent now or will be obsolete in a few years—we cannot have children running these turbo-prop jobs that can kill you so quickly if one little thing goes wrong. We have got to find a way to keep our trained men; and that is why we recommend this bill to you, while there is time, especially if we are to retain this 2,875,000-man armed military force, as Admiral Radford said so forcibly, for at least 50 years. We have got to raise our sights, my colleagues, if we are going to pay these men anything like what they are entitled to. We have got to pay them if we are going to keep them; if we are going to keep them we have got to pay them for the privation of being away from their families for these long endurance contests; we have got to increase the benefits. It cannot be as the Duke of Marlborough said:

God and the soldier we adore
In time of danger, not before;
Danger past and all things righted,
God forgotten and the soldier slighted.

We cannot follow that line if this Nation is going to exist.

Mr. SHORT. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, this bill should and probably will pass by a unanimous vote. I am heartily in accord with the purpose and the provisions of the bill. The author of the bill, the gentleman from Texas [Mr. KILDAY], is the best informed man in the House of Representatives on the problems of military pay. His name as the sponsor of the bill assures me that it is the best bill that could be drafted under the conditions of today.

Briefly, the bill frankly states that its purpose is to stimulate soldiers, airmen, sailors, marines, and their officers to remain in the various services through the medium of increased pay and allowances.

Under the conditions of today and the tensions which exist in the world today, we need experienced and trained men in our various military components. They are the ones that will be called upon to defend our country, institutions, homes, and all we hold dear if we should be attacked. Today they must be ready now. As in all professions, experience, training, and love of the military profession makes for more capable and efficient officers and men of our Armed Forces. This bill definitely gives better increases percentage-wise and also in dollars to the particular groups that need this the most. Noncommissioned officers, second lieutenants, first lieutenants, and captains all get a special boost. They are important as leaders to develop and train and build the morale of those whom they

command. There are also some important benefits to other special groups in higher ranks.

It is a pleasure to see that hazard pay encountered no resistance during the consideration of this bill, as it did when the last pay bill was before us, when the gentleman from Texas [Mr. KILDAY] and myself had to fight back hard to resist a determined effort to eliminate or greatly reduce hazard pay for Air Force officers.

I extend my congratulations to the chairman and all the members of the subcommittee who wrote this bill. Their excellent work made it easy and a pleasure to vote for this bill, which I think will give the results that its title implies.

Under the cover of the protection which our great Armed Forces give us, we hope that the peace which we are all looking for will soon arrive.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to commend my very good and able friend the gentleman from Texas, our chairman, in handling this legislation. His amazing knowledge of the subject matter, his years of experience in handling legislation of this nature, eminently qualify him to turn in the fine performance he did in bringing to us this bill we have before us today.

I also want to compliment the various services which presented the case to the committee, particularly Admiral Grenfell and Captain Martineau, of the Department of the Navy; Colonel Corbin and Lieutenant Colonel Wells, of the Department of the Air Force; and Colonel Brinkman, of the Department of the Army; on their able presentation. Their knowledge of the details of the proposed legislation, presented in a clear, understandable manner, was most helpful to the committee. They turned in an outstanding performance and have earned and deserve our hearty commendations.

Mr. Chairman, I should like to confine my remarks as to what effect I believe the passage of this career incentive bill will have on the Army.

As we all know, the Army has had to rely on the Selective Service System to maintain its required strength. Over 55 percent of the Army's enlisted personnel are inductees. This results in a heavy turnover of personnel each year.

Our inducted personnel serve an obligated tour of 2 years during which time they go through an expensive training program. While we can closely estimate the cost of this training, we cannot measure the loss of know-how and experience when these trained men decline to continue in a military career beyond their period of obligated service. It is in this group that we have a large potential for reenlistment in the regular service.

I feel that this career incentive bill creates the additional incentive needed to influence sufficient numbers to accept military service on a career basis, and thereby materially improve the present low reenlistment rate for inductees from its alltime low of but 3 percent.

Army service as a career can be stimulated. I believe this is borne out by the

results by the Army in its improved percentage increase in reenlistments among its regular service personnel since the passage of the reenlistment bonus last July. The enactment of the reenlistment bonus last year did check the exodus from the regular Army of career personnel. It did not, however, provide a sufficient stimulus to attract sufficient numbers of obligated service personnel to accept military service as an attractive career.

I believe a good part of that needed extra stimulus is now provided in this bill before us today. This bill together with last year's reenlistment bonus law plus those other service measures the President emphasized in his special message of January 13, 1955 will greatly enhance a military career attractiveness program and will give our inducted personnel a real incentive to become career soldiers.

Let us not for a moment forget that when we here in Congress provide the military services with the means whereby our Nation's young men can be offered an attractive and respected career in the service of our great Nation, the sooner will come the day that the Army will no longer need to depend on draft calls to meet its strength requirements but can secure its required personnel by voluntary enlistments.

An Army sergeant, a fine upstanding combat-decorated leader whom I wish all of you could have seen, appeared before the subcommittee when we were conducting the hearings. The Sergeant said that he was positive that the combined effect of this well-deserved and much needed pay boost and the increased reenlistment bonus will be sufficient to attract many of the high-type inductees who are at present undecided about continuing in the military service after their obligated service is finished.

The sergeant complained that he now just gets a man really trained to the point where he can render effective service when his period of service is finished and the lad is on his way home.

Well may this sergeant complain. Did you know that 80 percent of the Army's male enlisted personnel have less than 4 years' service?

Think what this inexperience means in terms of leadership; leadership is the most important factor bearing on the effectiveness of our combat arms. Research conducted in Korea on men very recently engaged in close combat indicates that the success or failure of the small unit depended to a marked extent upon the leader. For this reason the importance of the initiative and integrity of the junior noncommissioned officer leader cannot be over estimated.

There were situations in Korea, as in all other wars, where the competence, courage, and sometimes mere presence of a respected leader virtually saved a situation and won us a tactical advantage.

Normally, the leader just does not happen—he is trained. His training is both time consuming and costly. We must increase the attractiveness of the Army so that these fine sergeants are readily available when needed.

Can you imagine a more costly method of maintaining an effective fighting force than the present situation? A situation which in fiscal year 1953 saw the active Army lose 792,000 men, while it was gaining 724,000 men; which in fiscal year 1954 saw Army losses of 550,000 men and input gains of 436,000; which in fiscal year 1955, the Army's personnel chief estimates will result in losses of 700,000 soldiers while at the same time acquiring 401,000 others, the bulk of which comes from selective service. A much more costly method of maintaining an effective fighting force can hardly be conceived. Voluntary enlistments and reenlistments we believe will cut this tremendous turnover. We must further encourage voluntary enlistments and reenlistments.

Part of the means to correct this situation lies in this bill before us today. Later in this Congress I trust we will take the necessary action to increase dependent medical care, survivors' benefits, and provide for adequate housing, so that all of our service personnel can provide an acceptable standard of living for their families.

My deep inward feeling for our Army personnel has prompted me to stress the Army problem; however, the loss of career attractiveness is equally prevalent in the Navy, the Marine Corps, and the Air Force. We can materially improve that problem. Let us, the 84th Congress, become known as the Congress that restored dignity, honor, and prestige to service in the Armed Forces of our great Nation.

I was pleased to listen to the remarks of my very good and distinguished and able friend, the gentleman from South Carolina [Mr. RIVERS], in discussing hazard-duty pay. This is a matter which I, too, am greatly interested in.

I want to state at this time that I know of no more controversial area of military pay than the rates of incentive hazardous-duty pay particularly as it pertains to senior flying officers. In my experience as a member of the Committee on Armed Services, I wish to state that I have also experienced misgivings on this subject which have caused me to look at this particular item of pay very carefully. I am now convinced that it is a genuine bona fide requirement for senior Air Force commanders to participate in flying throughout their active military careers.

I should like to quote from a statement of General LeMay who, as you know, is charged with the responsibility for the effectiveness of the Strategic Air Command:

A very large number of our flying personnel are constantly pressured by their families to stop flying. Following every major accident these pressures approach the unmanageable. They affect staff and supervisory personnel as well as air-crew members. There are two factors which keep these pressures under control: first, the most vigorous leadership on the part of staff and supervisory personnel; second, the added measure of security our fliers are able to afford their families by virtue of their incentive pay.

I believe that there is a misconception on the part of many people as to the purpose of incentive hazardous-duty pay. Flying pay has been recently defined as

an incentive to attract individuals to enter into and remain in a career known to be hazardous. While there are many factors which serve to keep an individual in a flying capacity other than pay, such as love of flying, esprit de corps, and pride of organization, many factors mitigate against the continuation of an individual in a flying career. These are extraordinary hazards, increased expenses, separation from family, but perhaps the most important of all are the family pressures brought upon our fliers to abandon this duty. Unquestionably, flying is a part of the vigorous leadership on the part of the staff and supervisory personnel referred to by General LeMay, which serves to keep men in flying status.

Present law, which has not been changed since 1920, requires that the commanding officer of a flying organization be a rated pilot. I, for one, believe that this law is extremely sound. The active flying leadership of such generals as Lemay and General Weyland, former commander of the Far East Air Forces in Korea, is indispensable to our combat effectiveness. By virtue of the continued flying status of these officers, General LeMay is aware of exactly what he is asking his subordinates to do. General Weyland, as commander of the Tactical Air Command, is enabled to establish high standards of leadership from among his own commanders; General Chidlaw of our Air Defense Command is an active pilot with many thousands of hours of flying time.

Morale cannot be measured in terms of dollars but only in terms of combat effectiveness. Military flying today has come to be a coldly scientific, exacting business. Developments in military aviation have progressed so rapidly that even those most closely associated will find it difficult to keep abreast of these new developments. In the last few years we have moved from the horse-and-buggy age of aviation into the present fantastic areas of speeds and altitudes which were undreamed of a few years ago. As equipment becomes more complex, training lead time becomes greater. Considering the increasing cost of aircraft and the experience needed we are now going into the lieutenant-colonel grade for individual aircraft and unit commanders. The colonel in his higher responsibility commands flying units and bases. The generals command still larger units and combinations thereof, employing them tactically and strategically. Experience indicates that when the commanders and senior staff officers fly the same type of aircraft assigned to the unit the results can be measured in esprit de corps. The commander and his men can experience the same risk while flying. They share at least some of the same hazards and hazard is no respecter of rank.

In our hearings we heard testimony from leaders in military and civil aviation. Leaders in both facets stressed the necessity for the retention of experience in actual combat flying as well as the leadership aspects of aerial warfare. Age is no criterion of flying ability. Five Air Force colonels became jet aces in Korea.

While we are on the subject of age, I should like to point out that less than 5 percent of the total flying officers in the Air Force are over age 40. This seems to me to be a very thin leavening of the maturity and judgment required to lead our combat forces. It is characteristic in any form of endeavor that experience is an integral part of leadership. To gain this experience an aviator must continue to fly year in and year out. In the business of military flying those individuals who do not fly for extended periods of time lose their flying proficiency and their motivation to fly.

In the Air Force today the major Air Force commanders have accumulated an average between 4,000 and 6,000 hours of flying time. Wing commanders have between 3,000 and 4,000; group and squadron commanders between 2,000 and 3,000 hours. Any program which would deny flying status to individuals while serving in a temporary administrative or other than an operational flying billet would increase by years the amount of time required to gain this necessary experience. In the Air Force and the Navy it is not a question of whether our senior officers want to fly, they must fly if they are to perform their duties as commanders and staff officers. Our combat capability can be no better than the quality of its direction.

In closing, I should like to quote from a letter to the Chief of Staff, United States Air Force, from Gen. Curtis LeMay, of January 23, 1955:

Much has been said about the necessity of higher pay for crew members and little has been said for the men in the top position. Every rated officer is a potential crew member or commander. Each of my commanders retain flying proficiency and will lead his unit in combat. While providing the incentive for the crew member we must also increase the attractiveness of the higher command for staff position which is the eventual goal of the junior officer.

Mr. Chairman, the increases in incentive hazardous duty pay for general officers in this bill amounts to less than one-tenth of 1 percent of the total increase in flight pay.

I consider these increases to be a most economical and necessary investment in our national defense. I strongly urge the support of this bill.

Mr. KILDAY. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I should like to address myself to the important feature of this bill which establishes a distinction between obligated service and career service. I refer to the exclusion from any increase in present basic pay for those individuals performing statutory obligated military service. This exclusion applies to enlisted members and warrant officers with less than 2 years of military service and to commissioned officers with less than 3 years of service.

This particular feature of the bill makes it a selective rather than an across-the-board pay-increase proposal. We looked into this matter very thoroughly, and I believe that some further amplification may be helpful. There is ample justification for the selective na-

ture of this bill. I should like to give you some of the reasons which prompted the Armed Services Committee to concur in this selective philosophy.

First of all, the title of this bill, the "Career Incentive Act of 1955," explains its purpose. This is a bill to provide incentives for members of the uniformed services to undertake or to continue in career military service. It is not for the primary purpose of extending to every member of the uniformed services a cost-of-living pay increase. Such an across-the-board increase would not be economical. It would not offer a significant differential between pay for career service and pay for obligated service. It would continue the trend, noticeable in service-pay scale since 1908, of telescoping the pay differential between the starting enlisted grade and the commissioned-officer grades. This trend, if continued, would be bound to deter capable men from entering into a career in the Armed Forces.

We have been told that the Armed Forces will be stabilized at somewhere near the total strength of 2,850,000 men for the long-range pull. We certainly will require the draft or some form of selective service to supply the numbers of personnel required to maintain this size force. Under existing economic conditions the country could not afford to make the pay for military service strictly competitive with that of industry. On the other hand, the Congress and the people of the country are aware of the increasingly technical nature of modern warfare, and the astronomical costs of modern weapons of destruction. We cannot operate and maintain complex and expensive weapons systems without skilled and highly trained personnel.

This is the first reason and the principal one for the selective nature of this bill. If the country is to receive a fair return on its defense investment, money should be spent where it will be most effective. The greatest need today is for trained personnel. Those who have spent at least one enlistment in the Armed Forces are trained personnel. At the present time the Armed Forces are not reenlisting sufficient numbers of individuals who have had prior military service. The situation in regard to first reenlistments is particularly critical. The young man who completes one enlistment in the military services today is generally not interested in reenlisting. Not enough of these trained and experienced men are remaining in the services to maintain the required experience level for maximum combat efficiency.

This situation, if not corrected, is worse than wasteful of defense dollars—it is dangerously deteriorating the combat capability of our Armed Forces. Therefore, this bill is intended to attract the career serviceman to the maximum extent. Increased recognition is given to required skills and to experienced men by broadly defining career service as service which commences at the completion of the obligated service period.

This bill offers substantial in-grade increases in pay to the enlisted man and junior officer at the completion of the obligated service, and at later reenlistment and career promotion points.

These are the critical periods in the early years of career service—the times when the capable young officer and the trained enlisted man decide for or against career military service. The young first lieutenant at the completion of his 3 years of obligated service would receive an increase in his base pay of \$61.22, or 22½ percent—if he decides to remain in the service. This is percentage-wise the highest increase in the officer scale from the first lieutenant grade to admiral. It is not matched dollar-wise until the grade of colonel at the over-18-years-of-service point.

The enlisted man, after he attains 2 years of service, will receive in-grade increases in the middle enlisted grades which are very respectable, approximately 9 percent at the completion of 2 years' service and averaging nearly 15 percent at the first and second reenlistment points. In addition the amount of differential increases between grades so that incentive for promotion to the next higher grade is increased. Appropriate adjustments and incentive increases have been provided for warrant officers also.

This bill is fair to all servicemen. It is designed to give the highest increases in pay to those capable individuals who are making the best career progress. Its maximum benefits derive from making desired progress throughout a normal service career. It is a career bill—it fits the career man. Passage of this bill in my judgment is essential in the interest of the Nation's defense because it is necessary to the continued effectiveness of our uniformed services.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I would like to address myself to the new rates of incentive-hazardous duty pay proposed by this bill. I shall confine my remarks primarily to the proposed scales of additional pay for flight and submarine duty, for several reasons. First, because these scales provide the largest percentage increases which are included in the bill. And secondly, they represent the areas which most need realistic adjustment. This is because the quality of people in these areas, or the lack of it, most directly affects the combat capability of our armed services today.

I do not believe that the necessity for these pays is a matter in question. The payment of additional pays for hazardous duties is an accepted principle in practically all the military services of the world. It is accepted in industry, and has been a part of the American military pay structure since 1913. It has been debated in these halls many times, and each time its necessity has been confirmed in law.

In 1948, the Hook Commission studied the question of incentive pays for hazardous duties at great length. In the report of 1948 to the Secretary of Defense, Mr. Hook stated, and I quote:

It was necessary to retain a special pay as an incentive for individuals to engage in and remain in certain hazardous duties.

Based upon this principle, the Commission adopted a scale which varied

from \$100 per month for second lieutenants to \$210 per month for colonels, for flying military aircraft and for assignment as members of a submarine crew. With certain exceptions these scales were enacted into law.

In its closing remarks on this subject, the Hook Commission report stated:

Finally the Commission feels that there must be a constant review of regulations governing hazardous pay. The present proposals must not be looked upon as the final and permanent word on this subject.

Mr. Chairman, the Hook Commission conducted its deliberations at a time when there were thousands of World War II trained pilots available. Many of these officers desired to continue on active duty in the armed services. The rates of incentive pay recommended by the Hook Commission and adopted by the Congress were, indeed, sufficient for that period. There have been many changes since that time. Jet aircraft of that day, which were prototypes or in the design stages, are in full production today or are already in the hands of our fighting units.

Today we find that the present rates, which have not been increased since 1949, are not accomplishing the desired results.

It has been estimated that approximately 4,500 flying officers will leave the service in fiscal year 1956. This loss is staggering when measured in terms of dollars; but more important, the continuation of these losses will mean that the air defense of our cities will be placed in the hands of inexperienced young men who, however valiant, can be no better than the degree of skill which they have attained.

The losses I have referred to are in all grades below the rank of general, which indicates that there is a certain level of dissatisfaction in all grades. Mostly, however, these losses will be confined to the grades of major and below—the very core of our combat air strength.

In 1952, as a result of a request of the chairman of the Armed Services Committee of the Senate, the esteemed gentleman from Georgia [Mr. RUSSELL], a Commission similar to the Hook Commission composed of eminent civilians made a detailed study of all special pays and allowances. Members of this Commission included Mr. John T. Cahill, of New York; Mr. Joseph Campbell; Mr. Don G. Mitchell; Dr. Harold G. Moulton; and Mr. Lewis L. Strauss, who served as its Chairman. In its report to the Secretary of Defense, this Commission made several valuable recommendations.

One recommendation of this Commission resulted in the enactment by this body of the law authorizing the reenlistment bonus.

Another recommendation was that incentive pay be expressed in percentages of basic pay.

I should like to read from page 23 of the report of this Commission, now known as the Strauss Commission:

The Commission believes that the principle of additional pay for the hazardous duty of military flying is sound. We have expended such tremendous sums of money on aircraft and related equipment that it would be pennywise and pound-foolish to attempt

to man the Air Forces with nonvolunteers. It appears doubtful that a satisfactory training program could be established to produce well-qualified military aviators from individuals who did not wish to learn such skills.

We believe that the rates of flying pay should be sufficiently high to insure retention of the best qualified pilots and airmen on a career basis.

The Commission pointed out the sound economy of retention of aviators beyond the initial period of service and stated:

Apparently most individuals weigh their hazard pay against their total earnings. A man whose base pay is \$100 per month will volunteer for flight status, for an extra \$50 per month, while a seasoned aviator who is entitled to a base pay of \$400 per month would not find this adequate incentive to remain in an occupation which he knows from first-hand experience to be very hazardous.

When Congress has increased base pay to reflect changes in the purchasing power of the dollar, it has not made parallel increases in the differential pays. We believe that this has had the effect of depreciating the value of the differential pay. The Commission believes that this condition can and should be corrected by establishing the effective rates of differential pay as percentages of base pay.

This philosophy has been accepted and is the basis for the rates of pay proposed in this bill. These new rates of pay have also been analyzed recently by Mr. Charles R. Hook, the original Chairman of the Hook Commission. In testimony before our Committee Mr. Hook endorsed this bill in its entirety, including the proposed rates for incentive hazardous duty pay.

We have heard considerable testimony as to why these young men are leaving the Service. Let me give you two examples: A B-47 commander, in the grade of captain with 10 years service, receives \$120 a month in incentive hazardous duty pay in addition to his basic pay. In the performance of this duty this young man can expect to spend 90 days each year away from his home station on a rotation training mission to Europe, Africa, or the Far East. He must perform routine training flights in which he may be aloft for 15 to 24 hours with the aid of in-flight refueling. On each of these missions he must expect to go 24 to 36 hours without rest. He will operate at altitudes where an unforeseen emergency could easily cost his life. He is in an occupation which is rated by insurance companies to be the most hazardous in peacetime of all major occupations and his chances of survival in an aircraft accident have been greatly reduced when compared to a similar experience in World War II.

In the Air Defense a fighter-interceptor pilot can expect to spend up to 12 hours per day in flight gear waiting at his aircraft for the signal to "scramble." He must be prepared to go at night and in any weather to provide the defense of our homes and cities. In order to provide security for his family he must, by virtue of the performance of his duty, pay from \$5.35 to \$25 per year per \$1,000 in additional premiums for his life insurance, if he can buy it at all. In this bill we propose to increase the incen-

tive pay for flying for this captain from \$120 to \$190 per month, at 10 years of service. It is my belief that this increase is not only justified as a matter of equity, but is absolutely necessary if we are to retain highly skilled, competent individuals to provide this Nation's security.

This bill would again place incentive pay for hazardous duty in its proper perspective in relation to basic pay. There have been increases included where the pattern of this relationship is not consistent. For example, the second lieutenant has been increased from 41 percent of his basic pay, the amount established by the Career Compensation Act, to 45 percent. The first lieutenant has been increased by 7 percent to 45 percent, the captain by 12 percent to 44 percent. The colonels and generals have been decreased slightly or kept at the same levels on the basis that not so much incentive is needed in these ranks to induce these officers to remain in a flying status.

The rates of pay for flying and submarine service contained in this bill are designed to adjust these rates to the point where they provide realistic incentive. I must strongly emphasize that these rates are smaller than the percentages in effect before World War II. They are the highest, both in percentages and in dollars, for the lower grades where most of our actual operational flying is performed. Ninety-five percent of the dollar increases will be paid to the grades of major and below.

Let us analyze briefly the incentives we offered a young man to undergo flying training just prior to World War II. The Army Air Corps with a strength of less than 3,000 pilots, with no inflation, offered incentive pay computed at 50 percent of basic pay instead of the lower rates of today, and with much less arduous conditions of service, and paid an additional bonus of \$500 per year, to attract the 500 to 600 cadets needed to maintain flying officer strength.

Today, when we require something like 20 times as many young applicants for flying training each year we are offering rates which run from a little over 40 percent for the second lieutenant down to 16 percent for the major general. The \$500 bonus no longer exists. The rates we offer today do not provide the incentive necessary to attract and retain the quality of men we must have to perform these duties. We have heard how the Navy is receiving only about half the applications it needs to maintain full classes in the naval aviation cadet program. The Air Force has kept its classes full only through the lowering of educational standards, and through its requirement that all except certain specially trained ROTC graduates accept flight training, or not be commissioned. We have examined the resignation rates of young flying and submarine officers, and we have been appalled at the lack of interest in applications for regular commissions among this group.

Let me, here and now, try to dispel a series of unfortunate statements and articles deploring the softness of American youth. Much has been learned by the military services of their thinking and their motivation. They are perhaps a bit more mature. They are logical

and thinking men. They are the kind of men needed by the services to operate the complex and expensive weapon systems of today. But the services must be placed in a position to appeal to the maturity of their judgment as well as to their emotions.

We ask these young men to gamble with their lives to provide security for this Nation. We must stand prepared to provide the incentives necessary to attract and hold them in a military flying career.

I strongly urge your support of this bill.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I favor this legislation.

There is no field of legislation before this Congress which issues a greater challenge to us than the field of legislation to improve the living conditions of personnel in the armed services. Such improvement is in order by application of the adage that a "servant is worthy of his hire;" and is also in order because there needs to be improvement along this line if we are to attract to and keep in the armed services the personnel which are needed there to provide adequately for our national security.

A chart at page 457 of the hearings shows that reenlistment rates have fallen to an unacceptable level. A chart at page 460 of the hearings shows that this has resulted in a dangerous lowering of the average level of experience in the services. A similar situation is indicated among the officers, as shown in a chart at page 468 of the hearings. An indication of how much this situation is costing the American taxpayer is indicated by a chart on page 483 of the hearings. The loss in military security, although not so easily demonstrated in figures, must be apparent to anyone who considers the complexity of modern warfare and the value of experience and training in these specialized activities.

Testimony before our committee has shown a need for improvement in living conditions among personnel in the armed services by increased pay, particularly at certain specific points; by reducing the frequency and the difficulties of transfers; by increasing retirement benefits; and by other adjustments as detailed at page 488 of the hearings. There is a chart on that page which shows answers to a survey which indicated that failure to increase pay, to decrease transfers, and to increase retirement benefits were primary reasons for personnel not reenlisting. The pay element was way out in the lead as the most important matter. Other tangible matters in the order of their importance are listed there as increase in dependent medical care, increase in Government housing, improvement of commissary and PX privileges, increase in survivors benefits, and increase in travel allowances. The chart also gave intangibles a rating higher than any other element except pay.

We have before us today the first of a series of bills to assist in this situation. This bill is essentially an incentive-raise bill not merely a pay-raise bill. Appropriately it is called Career Incentive Act

of 1955. In it almost all military personnel receive at least 6 percent pay increases, including retired personnel; but what is more important from the standpoint of service career attractiveness, there are especially large pay increases provided by this bill for points where the record shows that there have been the greatest number of potentially good career men leaving the service. This is the first way in which this bill is an incentive to personnel to choose a military career. Another way in which it is an incentive is that the pay in the upper ranks of enlisted men and in the upper grades of officers is increased so that those on the lower ladder rungs will have something substantial to work toward. Testimony before our committee showed that frequently competent enlisted men and officers have left the service because the ultimate level of financial return to which they might aspire in the service was not comparable with what they could expect in civilian employment.

A third type of incentive to be found in this legislation involves increased pay for various types of hazardous duties in the military services, such as flight pay, submarine pay, diving pay, and so forth. Three new types of such hazardous pay are also added by this bill: Duty as low-pressure chamber inside observer, duty as human acceleration or deceleration experimental subject, and duty involving the use of helium-oxygen for a breathing mixture in the execution of deep-sea diving.

Other incentives to continue in the service are found in the bill. For instance, at page 6 of the bill in subsection 12 of section 2 a dislocation allowance equal to the monthly basic allowance for quarters is established. This should help to minimize, as much as possible, the expenses of such transfers. The committee made it clear at the hearings that the armed services should not use this allowance as an excuse for increasing transfers and that transfers should be reduced wherever possible, taking into account that money provisions for such transfers do not eliminate the entire source of friction from excessive transfers and family dislocations.

Further, in subsection 11 of section 2 there is provision for increasing per diem allowances from \$9 to \$12, which has value to those who are required to travel for the services.

The proposed legislation would involve an annual expenditure for members of the armed services for fiscal 1956 of \$734,045,571. In addition, the increase with respect to the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service for fiscal 1956 will be \$11,797,444. Thus the total cost of the bill for fiscal 1956 will be \$745,845,015.

This legislation represents requests from the Department of Defense except that the Armed Services Committee has recommended greater increases in certain respects, greater than the Department of Defense requested. The moderateness of the Department of Defense's request is no indication that larger amounts are not needed, but instead represents budgetary limits which were placed on them in the executive branch of the Government. I am sure that the

legislation now before us will meet with the full approval of the Department of Defense and of the executive branch.

I enthusiastically endorse this legislation and hope that it will be promptly enacted, as it is greatly needed from the standpoint of fairness to our service personnel and from the standpoint of our national security.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, firstly, I desire to congratulate the chairman and every member of the subcommittee which held extended hearings and then presented this Career Incentive Act of 1955, analyzing H. R. 4720, on the splendid, constructive work each of them did in the premises. But, in my cordial support of the objectives of H. R. 4720, I wish to also make it clear that I consider increased pay as provided in this bill as only one of the essential factors which enter into the fact that we cannot now obtain an adequate volunteer military department, or substantially so, also which enter into the fact that our total Military Establishment is having a very unsatisfactory and strategically dangerous experience by reason of experiencing one of the lowest reenlistment rates in the history of our great Nation. For instance, the analytical report of the committee accompanying H. R. 4720, quotes the President of the United States, in his message to Congress, dated January 13, 1955, wherein he said:

To sustain our active forces at required levels of strength and efficiency, it is necessary to increase the present rate of voluntary enlistments. It is also necessary to induce volunteers, both officers and enlisted men, to continue in the service on a career basis in order to obtain maximum usefulness from the skills and leadership which are achieved after long and costly training. The increasing mechanization and complexity of defense forces make technical skills and a wide background of experiences vastly more important than ever before.

Also, the committee's report frankly stated that:

During fiscal 1954, the armed services experienced one of the lowest reenlistment rates in the history of the Nation. The composite rate for all reenlistments in the armed services at that time was 14.9 percent. In the Army, for example, the reenlistment rate in 1954 was only 11.6 percent compared with a reenlistment rate of 41.2 percent in 1949. This rate for the Army reflects the very low reenlistment rate from among inductees, but even excluding inductees from the Army's reenlistment rate shows that the Army's reenlistment rate from among volunteers for fiscal year 1954 was only 22 percent.

And, in treating the very unsatisfactory situation relating to our great Navy Department, the committee said:

In the Navy, the decline in reenlistment rates has been even more disturbing. In fiscal 1950, the Navy experienced a reenlistment rate of 66 percent. In fiscal 1951 through 1953 the Navy averaged a reenlistment rate of 61 percent. In fiscal 1954 the figure dropped to 23.7 percent, and from July to December of 1954 the reenlistment rate in the Navy has been reduced to only 8.1 percent, the lowest recorded figure in the history of the Navy.

In the Marine Corps, reenlistment rates for fiscal 1954 were 18.1 percent, and in-

creased slightly to 20.1 percent in the period July through December 1954. Marine Corps reenlistment rates have shown an increase recently which may be attributed to the reenlistment bonus law which went into effect last summer and likewise may well reflect the wide publicity that has been given to this proposed legislation.

And, as to our magnificent Air Force, the committee told us this shocking condition:

The Air Force has been experiencing a declining reenlistment rate from an average of 56 percent for the fiscal years 1951 through 1953, to 31.2 percent in fiscal 1954; and for the period July through December 1954, a further decline to 22.4 percent.

And then in conclusion, on page 2, our able committee said:

Most alarming is the reenlistment rate from among volunteers in all of the services who are eligible to reenlist after completion of their first term of enlistment. The reenlistment rate for the period July through December 1954 of this group amounted to only 12 percent.

While treating the situation with regard to officers it gave us the following information:

The situation with regard to officers is equally alarming. In the Army, for example, only 21.8 percent of the distinguished graduates of ROTC and OCS programs eligible to apply for Regular commissions actually applied for Regular commissions. This contrasts with a 54.4 percent application rate for fiscal 1949. It is significant to note that from 1949 to 1954, and to the present date, the rate of application from among distinguished graduates of ROTC and OCS programs has shown a steady decline.

While in reporting to us the situation with reference to resignations of Regular officers from our military establishments our able committee informed us as follows:

Resignation rates from among Regular officers have shown a steady increase since officers have been permitted to submit their resignation following the termination of war in Korea. In the Army, for example, 187 officers resigned in fiscal 1949 as contrasted with 793 who resigned in fiscal 1954. In the Air Force, 69 resigned in fiscal 1949, as contrasted with 345 in fiscal 1954. In the Marine Corps, 73 officers resigned in fiscal 1949, as contrasted with 246 in fiscal 1954. In the Navy it is significant to note that the highest resignation rate from among commissioned officers were from those assigned to submarine and flight duty.

Mr. Chairman, with such alarming and significant facts and conclusions thus frankly told us by the subcommittee of the full Committee of the Armed Services, of which I have the honor to be a member, I cannot do less than cordially support this Career Incentive Act. But, as you well know, all of these 8 years I have already served in this great legislative body I have favored the support by this Congress of every sound factor by way of legislation and procedure, which would make it as attractive and reasonable for men to choose a military career, instead of making us depend upon the draft and any other form of involuntary military service. I have always felt thus, because as I read history, it is that a volunteer Army is much more effective and dynamic toward victory.

Therefore, as was so well stated by the gentleman from Texas [Mr. KILDAY] the

distinguished chairman of our subcommittee who reported this bill when he said, in substance, that every 10-percent increase we obtained in volunteer enlistments saved the taxpayers a huge sum of money. Also my distinguished colleague from South Carolina [Mr. RIVERS] likewise called attention to the fact that there are other factors which encourage enlistments and reenlistments other than those incentives of pay. So, Mr. Chairman, I not only agree with these statements by my distinguished colleagues in this area of career pay, but I wish to emphasize, even more than they did, some of these factors which I feel are still being overlooked or neglected to a dangerous and costly extent; to-wit, first, take the matter of adequate medical care of military dependents. Within the last 10 days when the distinguished Secretary of the Navy was before our Armed Services Committee in testifying in support of this very bill, H. R. 4720, in answer to a question by me, he frankly stated that he recognized that adequate medical care for military dependents was an important factor. He further stated that he was trying to get the numerical ceiling for the number of doctors per thousand men in the Navy increased from over and above the 6-per-thousand personnel, now the ceiling. In this connection, Mr. Chairman, I believe I am very recently accurately informed when I state that the fact is that the Navy is presently, right now today, only using one-half as many doctors per thousand naval personnel, as is allowed by direction of the Secretary of Defense and the executive department of our great Government. Believing this to be a fact I wish to very emphatically urge the Secretary of the Navy, and the Secretary of Defense to promptly correct this condition, which I believe is one of the active deterrents toward thousands of able and patriotic American lads enlisting and reenlisting in the Navy. There is nothing more important or more intimate toward the happiness and security of a military man's contentment and willingness to stay in the military service and make it a career than that his loved ones, including his wife, his babies and growing children should have adequate medical protection. And, is it not a fact that hundreds of thousands of men now in our military establishments were virtually promised that these dependents of theirs would receive prompt and adequate medical care as part of the understanding and moral agreement between our Government and these men who enlist and reenlist with medical care as one of the vital and manifest questions? In this connection I wish to say that on my way eastward from my native State of California by automobile to take my oath of office for the fifth time as a member of this great legislative body, I visited several naval airbases and in every case, upon inquiry from various levels of naval personnel from whom I inquired, I was told there was shockingly inadequate medical care for their dependents. Yes, this even applied to personnel billeted in naval establishments on our very shores. Since it was my beneficial experience several years ago to be a member of the Rivers

subcommittee on military hospitals, and to travel to many of the military hospitals in our great Nation in that connection, I wish to here and now state that I am keenly disappointed to find that this year, as several years ago, the military personnel at various levels of service frankly state upon my inquiry that they will not reenlist unless this condition is immediately corrected. In making these remarks about inadequate medical care, I include therein adequate hospitalization care.

Secondly, and now as to adequate housing for military personnel. Granting that it will be a splendid morale factor as well as an economic boost to these men in our military to receive the increased pay as set forth in this worthy bill, H. R. 4720, I surmise that even this increased pay will not enable them to rent or occupy better housing accommodations for their families where and when that adequate housing facility is not constructed and available for use. In other words, Mr. Chairman, our records show that there are hundreds of thousands of housing units for military personnel lacking. They are nonexistent. How then will this increased pay enable these distinguished men to adequately house themselves and their family dependents? So, again we must promptly move forward more vigorously and vigilantly to see that there is adequate housing available.

But, since my time for making these ad lib comments has about expired, I wish to also join my distinguished colleagues who are also members of the Armed Services Committee and who have heretofore in this debate called your attention to the fact that there is also the factors of certain so-called fringe benefits which have acted as inducements for men to enlist and reenlist. For instance, my distinguished colleague, the gentleman from Texas [Mr. KILDAY], called attention to the fact that the fringe benefits of the commissary, post exchange, and commissary stores are important considerations which help shape the decisions of patriotic Americans as to whether or not they will enlist or reenlist.

I also wish to clearly state that I am pleased that the personnel of the active Reserve was not overlooked in the worthy provisions of this incentive-pay act. Also, it is good that this legislation does not overlook the fact that candidates to the United States Military Academy and the United States Naval Academy, and the new United States Air Force Academy, and at the United States Coast Guard Academy are in absolute need of a worthy increase. I am very proud of each and every lad whom I have had the honor to name to compete to enter these distinguished academies to date. I know how hard it has been—and almost impossible in a few cases—on account of the increased cost and the financial inability of the boys' own families to meet this sharply rising cost and expense. This bill will raise the present pay of \$81.12 per month to \$111.15 per month, or an increase amounting to \$30.03 per month. I learned much of the difficulties of some of these distinguished lads in the academies, by reason of my having the honor and responsibility several

years ago of being designated by our distinguished Speaker as a member of the Board of Visitors. Hence, I for several days lived right there on the grounds with them, attended classes, witnessed athletic events and their social events, as well as faculty meetings.

Under present pay conditions the report shows that the required expenditures at the academies shall include uniforms, books, personal services, stationery, toilet articles—leaving for each 4-year graduate a deficit of \$302.68. The increase proposed in this bill will leave each 4-year graduate and midshipman the average sum of \$845 at the end of his 4-year studies and honorable graduation. I think it is right, for he then has to purchase service uniforms; he has to pay travel and living expenses until he has received the first active-duty pay remittance.

In closing, may I just again add that I hope that this great Congress will soon get about doing whatever else is necessary to add other career incentives in other fields of obligation and responsibility to our distinguished military personnel, as well as unanimously passing this present-day Career Incentive Act, which only applies to the matter of incentive pay.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, this is one bill which I can wholeheartedly support, and I wish to congratulate and compliment the distinguished and able gentleman from Texas [Mr. KILDAY] and his subcommittee for their painstaking work in bringing the measure to the floor.

I only wish that more bills relating to the military could be based upon the incentive principle. This bill seeks to do financial justice to armed services personnel, an end to which I have long been strongly committed; and to furnish incentives for young men to serve and remain in our Armed Forces on a purely voluntary basis, an end which evokes my most enthusiastic support.

This bill is extensive and complex. It will confuse pay standards, as all such measures have done in the past, but the confusion will be pleasing to the many beneficiaries whose pay and remuneration in so many instances are materially and equitably increased. In the main, the bill seeks to apply increases where they are required to retain the services of needed personnel and to encourage others to adopt service in the various branches of our defense system as a career.

This incentive principle should be applied across the board to all our military manpower requirements as soon as an appropriate study can be made to formulate a general bill designed to broaden the area in which incentives rather than compulsion shall apply.

The draft has been necessary in wartime and emergency. It is a frankly militaristic technique, but it has served the Nation as well and as equitably as such a system can. It is necessary in wartime. It is hardly justified in peacetime.

In this period, however, when we are not at war and yet not completely at peace—when the country is facing uncertainty and beset by dangerous threats to its security—our needs for manpower continue relatively large, yet are not emergent. We have had time to perfect a voluntary method, but have been content to struggle along with the compulsory system, even though its use has been greatly curtailed.

I believe this bill sets a fine example of the utilization of the incentive principle and I hope the Congress will extend this principle to other manpower measures relating to the procurement of adequate Armed Forces.

The Nation urgently needs a well organized, efficient, thoroughly modernized defense system comprised of professionally trained technicians and well trained personnel in every category. The Air Force and the Navy have been able to secure sufficient personnel largely without benefit of the draft. Only the Army has required the draft to obtain men to conduct its farflung operations.

It is my thought that with the right approach, with the application of the incentive principle, well conceived, carefully applied, wisely administered, it would be possible to eliminate all forms of compulsion in the military forces and their various reserves.

Surely that is a laudable aim to achieve in a democracy, if it can be done without jeopardizing the national security. Adequate defense we must have at all times. But that does not mean that in peacetime we should militarize our institutions. To the contrary we should see to it that they are not militarized, but demilitarized, if need be, and that we adhere as closely as we can to voluntary patterns and reject compulsory patterns except when they are absolutely necessary for the national safety in time of war or great emergency.

Since I am of the opinion that with the right program, our armed services could be entirely and successfully recruited for the regular forces and the Reserves on a voluntary basis except in time of war, I would like to see a study of this entire question with a view to attracting adequate service personnel by offering higher pay rates, more generous allowances and allotments, retirement benefits at more satisfactory rates and generally increased and improved fringe benefits so-called which would in sum total insure adequate enlistees and retainees in all our armed services. It is certainly worth trying and I hope it will be done.

It is my view that if the pay and other perquisites of the armed services are fixed at rates favorably comparable to those in private industry, by virtue of the incentive principle, we could put all our peacetime armed services manpower procurement on a voluntary basis. And that would be a great boon to the young men and the fathers and mothers of America as well as in accord with our national tradition.

Mr. KILDAY. Mr. Chairman, I yield such time as he may require to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I strongly favor the proposal to provide additional incentives for careers in the military service by additional pay.

Mr. Chairman, there can be no question of the fact that a major problem of the armed services in these perilous times is the difficult problem of keeping career men in uniform.

The rates of reenlistment in recent years have been a matter of great concern, and it is imperative that we provide the incentives to reverse these unsatisfactory trends and keep our Armed Forces strong and experienced.

While increased pay is not the only answer, it is certain to help. Without it, we are going to continue losing some of our finest soldiers, sailors, airmen and marines. I know, from personal acquaintance and experience, of the very considerable sacrifice at which many servicemen are continuing in uniform—a sacrifice which is shared by their loyal wives and children, and which is strong evidence of their devotion to their country and its service.

Personally, I am doubtful of the adequacy of the action being taken at this time, in view of the heavy cost of living in military areas, and the so-called "service benefits" which have been reduced in recent years. Nevertheless, this bill is a step in the right direction, and I welcome the opportunity to support and vote for this bill.

I trust the very able committee will continue to watch our enlistment and reenlistment figures closely, and will not hesitate to recommend such further steps as are proved necessary to keep our Armed Forces strong and their morale high.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, the matter of proper pay schedules and other benefits for the members of our Armed Forces is important not only to each of them personally but it is also important to our entire Nation.

We can all point with the greatest pride that our Nation has never been and will never be an aggressor nation for the purpose of acquiring more territory.

The very basis of the Constitution of these United States is the freedoms, rights, and privileges it guarantees to each citizen so long as in the exercise of these freedoms, rights, and privileges we do not interfere with the full enjoyment of these same opportunities by our fellow citizens. We are all justly proud of this heritage which has been won and protected for us by the work, effort, and even supreme sacrifice of life itself by our great forefathers. We are so proud of this great achievement that we want other peoples of the world to share the same freedoms. Therefore, we have dedicated our policies of relationship with other nations of the world on the premise that we will assist them to remain free of the tyranny of those who seek to dictate the lives and living of peoples. This, of course, has brought down upon us the wrath of those ideologies and their dictator leaders who seek

to control people and governments for their own selfish personal gain of power.

All of this has made it necessary for us to be militarily strong so that we can assist our friendly nations and at the same time properly protect our own Nation and our citizens from any attack upon us by an unfriendly power.

There are no better scientists, technical experts, or skilled workmen anywhere in the world than there are here in these United States. The combined efforts and abilities of all these people have produced the most outstanding and effective weapons in the world. The power and ability of these weapons to devastate an enemy is almost beyond the comprehension of man and we are indeed fortunate in having as our President a man who knows full well the terrible price and havoc of war in these modern times. I know President Eisenhower will do everything humanly possible to avoid war. I am convinced that the best way to assist the President and our greatest hope for peace is to be well prepared. The enemies of freedom have repeatedly shown that they respect nothing but power and we must be strong.

Science and the traditional ability of America have produced the best and most powerful weapons the world has ever known. It is also an understandable corollary that the members of our Armed Forces must be especially well trained in the operation and maintenance of these extremely complicated weapons of warfare. Such training requires a great deal of time and costs tremendous sums of money.

There are, of course, men and women who like military service and want to make it their chosen career. We cannot help but honor and respect those who choose a military career, because they are the ones who stand between us and all that we hold dear and those who seek to destroy these precious American heritages and privileges. It is only right and proper, therefore, that our Federal Government should adopt such courses as are open to us to encourage those who like military life and service to make it their career. I have been reading some material and reports recently that applies directly to our United States Air Force, but the same principles also apply to other branches of our Armed Forces.

The total cost of all armed services to train hundreds of thousands of short-term servicemen each year is an almost staggering amount and saving a substantial portion of it would help a great deal to bring the budget of our Federal Government much nearer to a balance. I learn through this report to which I refer, that our Government spends approximately \$14,800 on the training of an airman during his 4 years enlistment. The training of the average airman includes instruction in many matters. If at the end of his first 4-year enlistment the airman decides to leave the service and seek his place in the civilian life of our Nation, we have spent approximately \$14,800 to train him, but what is even of greater importance, our Air Force must start all over again to train another man and in the meantime the efficiency of

our Air Force is not what it could be if the airman had reenlisted. I am told that 2 out of 3 fail to reenlist and I understand that Secretary Talbott has estimated that the airmen leaving the service will represent training which has cost our taxpayers \$2.5 billion worth of training this fiscal year. If the information given me is correct, there is an officer turnover of about 45,000 Air Force officers a year out of a total of about 130,000 Air Force officers.

That the Air Force needs well-trained capable airmen of all categories and ground crews was forcibly brought out in a statement by Lt. Col. Robert Scott in a very interesting television show last evening. Colonel Scott, who, it was said, flew 117 missions in Korea, established another record yesterday, when, according to public announcement, he flew a jet airplane from Los Angeles to New York in 3 hours and 46 minutes. Colonel Scott paid high tribute to the able and trained ground crews who make it possible for such flights to be made.

I have also seen other reports to the effect that the training costs for a military pilot are greater than any other profession, including even brain surgery. It was estimated that because of the great many highly technical skills and the vast amount of technical knowledge needed by the modern jet pilot that our Government invests over \$70,000 in the training of each pilot.

Thus the failure of men and officers to reenlist is costing our Government huge sums of money each year, but what is even more important, we are also losing the skills and abilities of these men at a time when we can ill afford to do so.

Therefore, Mr. Chairman, if we can encourage a greater percentage of the members of our Armed Forces to reenlist and make military service a career, we will be accomplishing a number of worthwhile objectives. We will be saving a considerable sum of money for the taxpayers. We will have more efficient and better trained Armed Forces. We will lessen the need for considerable numbers of new recruits and might well be able to maintain the necessary strength through voluntary enlistments.

There is no question but that the weapons used by our Army, Navy, Marine Corps, and Air Force are equal in all respects and better in many respects than the equipment and weapons of those who might seek to destroy us. The very best equipment and weapons in the world, however, mean absolutely nothing unless we have the very best trained personnel in the world. These men must also feel that their abilities, attitudes, courage, and patriotic devotion to their great Nation is deeply appreciated and recognized by every American. This recognition should not only be shown by our personal attitude toward all those in the uniform of the United States, but it should also be shown by our willingness to see that they are properly paid and that they also have other necessary benefits.

It is, therefore, Mr. Chairman, my considered judgment that increasing the rates of pay and other benefits for those who reenlist is a very worthy objective of this proposed legislation. I am also con-

vinced, Mr. Chairman, that this legislation has been reported out for the consideration of the House only after the most thorough consideration by the members of the distinguished and able Committee on Armed Services, and is their unanimous recommendation. Therefore, Mr. Chairman, I urge the adoption of this legislation.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, the enactment of this legislation is justified on the basis of cost of living alone, but more important is the very evident fact, that it is necessary for our military security. During fiscal 1954, the armed services experienced one of the lowest reenlistment rates in the history of the Nation, and this situation is not only alarming but of extreme concern to us all. It is also a very expensive problem to the taxpayers of our country.

Military pay has increased less since 1949 than that of industrial workers, salaried business-management personnel, or civil servants. It has also lagged well behind the cost of living. Further, the pattern of pay increases in recent years has served to compress the scales by raising the pay of the lower enlisted grades by a much higher percentage than those of the higher enlisted grades and the officer grades. Considering the present value of the dollar, our high-ranking officers today are paid only about one-half as much as they were 45 years ago. This has had an adverse effect on the attractiveness of a career as a commissioned officer in the Armed Forces. Job opportunities for the high type of man needed in the uniformed services are plentiful in the civilian economy.

The cost of training aviators in the complex military airplanes of today is the highest item of service-training costs. Depending on the type of aircraft and the level of training—basic or advanced—the training investment in a single pilot varies from \$70,000 to nearly \$600,000. Many pilots are returning to civil life upon completion of their obligated service. Records of the Air Force indicate that this loss of experienced pilots is costly in terms of men and equipment.

The aircraft-accident rate and the related fatality rate is highest among pilots in the first few years—corresponding to the obligated service period. If the services can retain pilots beyond the obligated service period, we can expect the accident rate to decrease. This will be reflected in sizable dollar savings, and more important, in the saving of young American lives.

The personnel-turnover problem in the military services is costly in dollars. However, it has serious consequences in other than budgetary and fiscal areas. The experience level of our Armed Forces is directly affected by the excessive personnel turnover. The combat readiness of our Armed Forces is directly related to the experience level. At a time when the increasing complexity of the weapons of warfare requires a higher level of skill and more experienced personnel, the uniformed services are faced with

unacceptable rates of personnel turnover. The result is that our tremendous and complex Military Establishment is in danger of suffering a serious reduction in combat effectiveness.

The Career Incentive Act of 1955, as this bill is titled, is designed to encourage personnel whose skills and leadership abilities are needed by the Armed Forces to undertake or to continue in career military service. This bill is not an across-the-board pay proposal, but one which provides incentive increases in pay on a selective basis. The bill calls for selective increases in base pay and proportionate increases in incentive hazardous-duty pays. It also provides for the improvement of certain benefit items which are important to a large segment of our service personnel, particularly those with families. Other legislative proposals to be submitted separately will provide for improvement in such vital areas as survivors' benefits, dependents' medical care and dependents' housing.

Mr. Chairman, I believe the passage of this bill will benefit career service personnel—those who are serving on active duty today and those who have devoted long years of honorable service to their country. It will demonstrate to our servicemen that the Congress is alert to their needs and aware of their sacrifices. It will convince the high quality youth whom we want to embark upon a career need not be accompanied by unacceptable lowering of his standard of living.

Mr. O'HARA of Illinois. Mr. Chairman, through the graciousness of the commanding general and of the Secretary of War, the Chicago offices of the Second Congressional District of Illinois are located in the headquarters of the Fifth Army, situated near Lake Michigan in the heart of the district that I have the honor to represent. My associations there have been most pleasant and my high esteem for the officers and the enlisted personnel of the Army has been heightened by these associations.

I have come to know very intimately the problems of the men and women who, at great self-sacrifice, have maintained the fine traditions of the Army of the United States. The headquarters of the Fifth Army are located in an area of high rents and of living costs greater than those in many other areas. The benefits provided for in H. R. 4720 are long overdue. I was happy to learn from the remarks of the distinguished ranking minority member of the committee [Mr. SHORT] that the increases in pay provided for in the bill exceed the request of the armed services. In other words, H. R. 4720 gives everything requested and something in addition.

I know that the morale of the fine officers and enlisted personnel at the headquarters of the Fifth Army, which has always been of the highest, even when conditions as to pay and benefits were discouraging, will be lifted to new heights by this token of appreciation of them by the House of Representatives of the Congress of the United States. I sincerely hope that H. R. 4720 leaves the House as it left the great Committee on

Armed Services by a unanimous vote of approval.

Mr. NORBLAD. Mr. Chairman, I rise in support of this legislation. It is my feeling that this bill is a definite saving of money rather than an expenditure as is indicated on the face of it.

One of the most expensive parts of our Defense Department is in the training of officers and men and then releasing them after they have completed their obligated term of service. Keeping these trained men in uniform would be a tremendous saving to the American taxpayer and would more than justify all the money authorized by this bill as well as giving us a better defense.

The pay raises included herein are not across the board so as to include those new men who are putting in their necessary time but start at the point where they must make their decision whether to leave the service or remain in uniform. It is an incentive to have them stay in and make a career out of the military.

I think this bill was well named when it was called the incentive bill rather than a pay-raise bill.

Mr. DONOHUE. Mr. Chairman, I am happy to speak in support of and urge all Members to vote in favor of this measure, H. R. 4720, to provide incentives for members of the uniformed services by increasing certain pays and allowances.

It is common knowledge that our Defense Department officials have submitted testimony to show that a disturbing number of promising career men are leaving the services because the compensation is not sufficient, under present economic conditions, to enable them to properly provide for themselves and their families. The President himself has voiced his fears of the deterioration of our military machine on this score and on several occasions, in state of the Union and budget messages, has urged the creation of greater incentives to make military careers more attractive and stable.

The percentage of non-reenlistments has been and is a plague on the continuing efficiency of all branches of the Defense Department and the replacement cost is extravagantly expensive—to put it specific—Air Force authorities have testified their analysis shows that pay increases to encourage reenlistments will actually result in major savings and economy.

There is little need to stress the fact that the highly specialized training and skill required for effective operation of the technical equipment necessary for modern warfare practically demands that we have career personnel in our military organizations.

I am sure that there is no need for me to emphasize the fact that a military unit is no better than the spirit that exists among its members and equally important is the sustained high morale of their families, despite whatever powerful war weapons that may be possessed. Assurances to military personnel as well as their families of a reasonable salary scale that will enable them to

live without extraordinary economic fears and worries is certainly a major factor in the maintenance of high spirit and morale and surely is in the best national interest.

I urge you all, therefore, to approve this measure without further delay.

Mr. CANFIELD. Mr. Chairman, the growing rate of turnover among our service personnel in recent years has tended to reduce the combat readiness of our military forces. Fewer men are choosing military careers. More career men are leaving the services for opportunities in private employment. There is at the present time, it appears, insufficient incentive for experienced, well-trained military personnel to remain in the service.

The Committee on Armed Services, in approving the bill for military pay increases, has taken what appears to be an indispensable step to correct this problem of personnel turnover. It remains for the House to endorse this committee action by a prompt vote of approval.

I personally favor this pay increase bill for many reasons, some of which, by themselves, are sufficient grounds for voting the increase.

In the first place, the incentive for career service which this increase would create will undoubtedly result in sub-

stantial dollar savings to the Government. The bill is designed to provide cash incentives to personnel in the training of whom the Government has invested valuable time, money, and equipment. At the present time too many of these personnel are leaving the service as soon as they have fulfilled their terms of obligated service. This includes both enlisted and officer personnel.

It has been pointed out, for example, that the reenlistment rate in the Army has declined from 41.2 percent in 1949 to 11.6 percent in 1954. The combined reenlistment rate for all the services has declined to about 20 percent. This means that 800,000 men out of a total of 1 million whose enlistments expire this year will have to be replaced. When one considers the cost of training these personnel—from \$5,000 to \$9,000 for basic and technical training for one man in a typical specialty—it becomes apparent that the replacement of 800,000 men this year will be of considerable cost to the Government.

This problem of cost is a serious one, and one which has been of concern to me for some time. But an even more important problem created by this high rate of turnover among our service personnel is one concerning the overall efficiency and combat readiness of our military forces. The loss of large numbers

of military personnel soon after they have acquired the experience and technical training needed by the services makes it extremely difficult to build stable, experienced combat units. In other words, the high turnover rate is not only expensive, but it also drastically reduces the effectiveness of our fighting forces.

The military pay-raise bill approved by the Committee on Armed Services, which endorsed it by a vote of 30 to 0, promises to reduce the rate of turnover considerably, and in this manner it is expected that the experience and technical skills which will be retained by the services will make a significant contribution to our military preparedness. At the same time, the growth of a career-service military force will pay off in dollar savings in terms of long-term training and transportation costs.

For these reasons, Mr. Chairman, I urge the bill's passage.

The CHAIRMAN. There being no further requests for time on either side, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Career Incentive Act of 1955."

Sec. 2. The Career Compensation Act of 1949 (63 Stat. 804), as amended, is further amended as follows:

(1) Section 201 (a) is amended by striking out the tables therein and inserting the following in lieu thereof:

"COMMISSIONED OFFICERS"

"Pay grade"	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
O-8.....	\$963.30	\$963.30	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,021.80	\$1,076.40
O-7.....	800.28	800.28	850.20	850.20	850.20	850.20	850.20	850.20	850.20	850.20	850.20	850.20	904.80	967.20
O-6.....	592.80	592.80	631.80	631.80	631.80	631.80	631.80	631.80	631.80	655.20	717.60	748.80	780.00	811.20
O-5.....	474.24	474.24	507.00	507.00	507.00	507.00	507.00	530.40	561.60	577.20	608.40	639.60	670.80	670.80
O-4.....	400.14	400.14	429.00	429.00	429.00	452.40	483.60	499.20	514.80	530.40	561.60	577.20	592.80	592.80
O-3.....	326.04	326.04	351.00	374.40	405.60	421.20	436.80	452.40	468.00	483.60	499.20	514.80	514.80	514.80
O-2.....	259.36	274.18	335.40	335.40	351.00	366.60	382.20	397.80	413.40	413.40	413.40	413.40	413.40	413.40
O-1.....	222.30	237.12	296.40	296.40	312.00	327.60	343.20	358.80	374.40	374.40	374.40	374.40	374.40	374.40

"WARRANT OFFICERS"

"Pay grade"	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
W-4.....	\$332.90	\$354.90	\$354.90	\$354.90	\$370.50	\$386.10	\$401.70	\$421.20	\$452.40	\$468.00	\$483.60	\$499.20	\$514.80	\$530.40
W-3.....	302.64	323.70	323.70	323.70	331.50	339.30	347.10	358.80	374.40	382.20	405.60	428.00	443.60	459.20
W-2.....	264.82	280.80	280.80	280.80	288.60	304.20	319.80	335.40	350.00	357.80	373.40	389.00	404.60	420.20
W-1.....	219.42	251.20	251.20	251.20	266.80	286.30	294.10	305.80	313.60	321.40	337.00	352.60	368.20	368.20

"ENLISTED PERSONS"

"Pay grade"	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
E-7.....	\$206.39	\$222.30	\$222.30	\$230.10	\$237.90	\$253.50	\$261.30	\$273.00	\$280.80	\$288.60	\$304.20	\$319.80	\$335.40	\$335.40
E-6.....	175.81	187.20	187.20	195.00	214.50	222.30	234.00	241.80	249.60	257.40	273.00	288.60	288.60	288.60
E-5.....	145.24	163.80	163.80	183.30	191.10	202.80	210.60	218.40	226.20	234.00	241.80	257.50	257.50	257.50
E-4.....	122.30	140.40	140.40	159.90	167.70	179.40	187.20	195.00	202.80	210.60	218.40	218.40	218.40	218.40
E-3.....	99.37	117.00	117.00	132.60	140.40	148.20	156.00	159.90	163.80	163.80	163.80	163.80	163.80	163.80
E-2.....	85.80	101.40	101.40	109.20	117.00	124.80	132.60	132.60	132.60	132.60	132.60	132.60	132.60	132.60
E-1.....	83.20	98.80	98.80	106.60	106.60	106.60	106.60	106.60	106.60	106.60	106.60	106.60	106.60	106.60
E-1 (under 4 months).....	78.00													

(2) Section 201 is further amended by redesignating subsections "(d)" and "(e)" as "(c)" and "(d)", respectively.

(3) Section 201 is further amended by adding the following new subsection:

"(e) Aviation cadets enlisted or appointed under the Army Aviation Cadet Act (55 Stat. 239), as amended, or under the Naval Aviation Cadet Act of 1942 (56 Stat. 737), as amended, are entitled to monthly pay at the

rate of 50 percent of the basic pay of a commissioned officer in pay grade O-1 with under two cumulative years of service."

(4) Section 204 (a) is amended by—

(A) striking out the word "part" in clause (3) and inserting the word "clause" in lieu thereof;

(B) striking out the word "and" at the end of clause (8);

(C) striking out the period at the end of clause (9) and inserting a semicolon in lieu thereof; and

(D) adding the following new clauses:

"(10) duty as low-pressure chamber inside observer;

"(11) duty as human acceleration or deceleration experimental subject; and

"(12) duty involving the use of helium-oxygen for a breathing mixture in the execution of deep-sea diving."

(5) Section 204 (b) is amended to read as follows:

"(b) For the performance of hazardous duty as prescribed in clause (1) or (2) of subsection (a) of this section, a member of a uniformed service qualifying for incentive pay thereunder is entitled to pay at a monthly rate as follows:

"Incentive pay for hazardous duty performed under section 204 (a) (1) and (2)

"COMMISSIONED OFFICERS

Pay grade	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 5	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26
O-8	\$155.00	\$155.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00	\$165.00
O-7	150.00	150.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
O-6	200.00	200.00	215.00	215.00	215.00	215.00	215.00	215.00	215.00	215.00	220.00	245.00	245.00	245.00
O-5	190.00	190.00	205.00	205.00	205.00	205.00	205.00	205.00	210.00	225.00	230.00	245.00	245.00	245.00
O-4	170.00	170.00	185.00	185.00	185.00	185.00	195.00	210.00	215.00	220.00	230.00	240.00	240.00	240.00
O-3	145.00	145.00	155.00	165.00	180.00	185.00	190.00	200.00	205.00	205.00	205.00	205.00	205.00	205.00
O-2	115.00	125.00	150.00	150.00	160.00	165.00	170.00	180.00	185.00	185.00	185.00	185.00	185.00	185.00
O-1	100.00	105.00	135.00	135.00	140.00	145.00	155.00	160.00	170.00	170.00	170.00	170.00	170.00	170.00

"WARRANT OFFICERS

Pay grade	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 5	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26
W-4	\$115.00	\$115.00	\$115.00	\$115.00	\$120.00	\$125.00	\$135.00	\$145.00	\$155.00	\$160.00	\$165.00	\$165.00	\$165.00	\$165.00
W-3	110.00	115.00	115.00	115.00	120.00	120.00	125.00	135.00	140.00	140.00	140.00	140.00	140.00	140.00
W-2	105.00	110.00	110.00	110.00	115.00	120.00	125.00	130.00	135.00	135.00	135.00	135.00	135.00	135.00
W-1	100.00	105.00	105.00	105.00	110.00	120.00	125.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00

"ENLISTED PERSONNEL

Pay grade	Years of service													
	Under 2	Over 2	Over 3	Over 4	Over 5	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26
E-7	\$80.00	\$85.00	\$85.00	\$85.00	\$90.00	\$95.00	\$100.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00
E-6	70.00	75.00	75.00	80.00	85.00	90.00	95.00	95.00	100.00	100.00	100.00	100.00	100.00	100.00
E-5	60.00	70.00	70.00	80.00	80.00	85.00	90.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
E-4	55.00	65.00	65.00	70.00	75.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
E-3	55.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
E-2	50.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
E-1	50.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
E-1 (under 4 months)	50.00													
Aviation cadets	50.00													

(6) Section 204 (c) is amended to read as follows:

"(c) Officers and enlisted persons of the uniformed services who are qualified for the incentive pay authorized under subsection (a) are entitled to be paid at the rate of \$110 and \$55 per month, respectively, for the performance of any hazardous duty described in clauses (3) to (12) of subsection (a)."

(7) Section 204 (e) is repealed and subsection "(f)" is redesignated as "(e)."

(8) Section 205 (a) is amended by striking out the figures "\$5" and "\$30" and inserting in lieu thereof the figures "\$5.50" and "\$33," respectively.

(9) Section 205 (b) is amended by striking out the figure "\$5" and inserting the figure "\$5.50" in lieu thereof.

(10) Section 205 (c) is amended by adding the following at the end thereof: "However, receipt of incentive pay under that section does not bar the member from entitlement to \$5.50 for each hour or fraction thereof in addition to basic pay, as authorized by subsection (b) of this section."

(11) The last sentence of section 303 (a) is amended by striking out the figure "\$9" in clause (2) and inserting in lieu thereof the figure "\$12."

(12) Section 303 (c) is amended by inserting the following at the end of the first sentence thereof: "Under such regulations as may be approved by the Secretary concerned, a member of a uniformed service whose dependents are authorized to move

and actually move in connection with his permanent change of station shall be entitled to a dislocation allowance equal to his monthly basic allowance for quarters. However, the member shall be entitled to the payment of a dislocation allowance for not more than one permanent change of station during any fiscal year, except on the finding of the Secretary of the Department concerned that the exigencies of the service require more than one such change of station during any fiscal year. This limitation upon the payment of a dislocation allowance shall not apply to members of the uniformed services ordered to service schools as a permanent change of station. In addition, this limitation shall not be applicable in time of war or national emergency declared after the effective date of this amendatory act. A member is not entitled to payment of a dislocation allowance when ordered from home to first duty station or from last duty station to home."

(13) Section 508 is further amended to read as follows:

"Cadets at the United States Military Academy, midshipmen at the United States Naval Academy, cadets at the United States Air Force Academy, and cadets at the Coast Guard Academy shall be entitled to receive pay at the rate of 50 percent of the basic pay established for a commissioned officer in pay grade O-1 with under 2 cumulative years' service, and to receive allowances as now or hereafter provided by law for mid-

shipmen in the Navy, and to transportation, including reimbursement of traveling expenses, while traveling under orders as a cadet or midshipman."

(14) Section 202 (d) is amended by striking out the period at the end thereof, inserting a comma and adding the following: "including retired enlisted men advanced to commissioned officer rank on the retired list by virtue of the act of May 7, 1932 (Public Law 123, 72d Cong.)."

Sec. 3. Section 4 of the Naval Aviation Cadet Act of 1942, as amended (34 U. S. C. 850c), is amended by—

(1) striking out the first sentence; and
(2) amending the second sentence to read as follows: "Aviation cadets, while on active duty, are entitled to the same allowances for subsistence now or hereafter provided for officers of the Navy, and shall, while on active duty, be furnished quarters, medical care, and hospitalization, and have issued to them uniforms, clothing, and equipment at Government expense."

Sec. 4. Section 4 of the Army Aviation Cadet Act, as amended (10 U. S. C. 303, 304, 304b), is amended by—

(1) striking out the first sentence; and
(2) amending the second sentence to read as follows: "Aviation cadets, while on active duty, are entitled to the same allowances for subsistence now or hereafter provided for officers of the Army, and shall, while on active duty, be furnished quarters, medical care, and hospitalization, and have issued

to them uniforms, clothing and equipment at Government expense."

Sec. 5. Any person now or hereafter entitled to retired pay, retirement pay, retainer pay, or equivalent pay (including persons entitled to temporary disability retirement pay) computed at the rates prescribed in section 201 (a) of the Career Compensation Act of 1949 shall be entitled to have his pay computed at the rates prescribed by that section, as amended by this act. For the purposes of that computation, an officer with less than 3 years of service for pay purposes, or a warrant officer or an enlisted person with less than 2 years of service for pay purposes, retired for physical disability or placed on the temporary disability retired list, shall have those rates increased by 6 percent.

Sec. 6. Members and former members of the uniformed services who are entitled to receive retired pay, retirement pay, retainer pay, or equivalent pay under laws in effect prior to October 1, 1949, shall be entitled to an increase of 6 percent of the retired pay, retirement pay, retainer pay, or equivalent pay, to which they are now entitled.

Sec. 7. This act shall become effective on the first day of the month following the date of enactment of this act.

Sec. 8. No person, active or retired, in any of the uniformed services, including a Reserve component thereof and the National Guard, shall suffer by reason of this act any reduction in basic or retired pay to which he was entitled upon the effective date of this act.

Mr. KILDAY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. There being no amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. KILDAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 399, nays 1, not voting 35, as follows:

[Roll No. 19]

YEAS—399

Abbutt	Andersen,	Aspinall
Abernethy	H. Carl	Auchincloss
Adair	Andresen,	Avery
Addonizio	August H.	Ayres
Albert	Andrews	Bailey
Alexander	Anfuso	Baker
Alger	Arends	Baldwin
Allen, Calif.	Ashley	Barden
Allen, Ill.	Ashmore	Barrett

Bass, N. H.	Fjare	McCarthy
Bass, Tenn.	Flood	McConnell
Bates	Flynt	McCormack
Baumhart	Fogarty	McCulloch
Beamer	Forand	McDonough
Becker	Ford	McDowell
Belcher	Forrester	McGregor
Bennett, Fla.	Fountain	McIntire
Bennett, Mich.	Frazier	McMillan
Bentley	Frelinghuysen	McVey
Berry	Friedel	Macdonald
Betts	Fulton	Macrowicz
Blatnik	Gamble	Mack, Ill.
Blitch	Garmatz	Mack, Wash.
Boggs	Gary	Madden
Boland	Gathings	Magnuson
Bolling	Gavin	Mahon
Bolton	Gentry	Mailliard
Frances P.	George	Marshall
Bonner	Gordon	Martin
Bosch	Granahan	Mason
Bow	Grant	Matthews
Boykin	Gray	Meador
Boyle	Green, Oreg.	Morrow
Bray	Green, Pa.	Metcalf
Brooks, La.	Gregory	Miller, Calif.
Brooks, Tex.	Grimiths	Miller, Md.
Brown, Ga.	Gross	Miller, Nebr.
Brown, Ohio	Gubser	Miller, N. Y.
Brownson	Hagen	Mills
Broyhill	Hale	Minshall
Buchanan	Haley	Morano
Budge	Halleck	Morgan
Burdick	Hand	Morrison
Burleson	Harden	Moss
Burnside	Hardy	Moulder
Bush	Harrison, Nebr.	Multer
Byrd	Harrison, Va.	Mumma
Byrne, Pa.	Harvey	Murray, Ill.
Byrnes, Wis.	Hays, Ohio	Natcher
Cannon	Hayworth	Nelson
Carlyle	Hébert	Nicholson
Carnahan	Henderson	Norblad
Carrigg	Herlong	Norrell
Cederberg	Heseltun	O'Hara, Ill.
Celler	Hess	O'Brien, N. Y.
Chase	Hiestand	O'Hara, Ill.
Chelf	Hill	O'Hara, Minn.
Chenoweth	Hinshaw	O'Konski
Chlperfield	Hoeven	O'Neill
Chudoff	Hoffman, Ill.	Osmer
Church	Hoffman, Mich.	Ostertag
Clark	Holifield	Passman
Cleaver	Holmes	Patman
Cole	Holt	Patterson
Colmer	Holtzman	Pelly
Cooley	Horan	Perkins
Coon	Hosmer	Pfost
Cooper	Huddleston	Philbin
Corbett	Hull	Phillips
Coudert	Hyde	Pilcher
Cramer	Ikard	Pillion
Cretella	Jackson	Poff
Crumpacker	James	Polk
Cunningham	Jarman	Preston
Curtis, Mass.	Jenkins	Price
Curtis, Mo.	Jennings	Priest
Dague	Jensen	Prouty
Davidson	Johansen	Quigley
Davis, Ga.	Johnson, Calif.	Rabaut
Davis, Tenn.	Johnson, Wis.	Rains
Davis, Wis.	Jonas	Ray
Dawson, Utah	Jones, Ala.	Reed, Ill.
Deane	Jones, Mo.	Reed, N. Y.
Delaney	Jones, N. C.	Rees, Kans.
Dempsey	Judd	Reuss
Denton	Karsten	Rhodes, Ariz.
Derounian	Kearney	Rhodes, Pa.
Devereux	Kearns	Richards
Dies	Keating	Riehlman
Dixon	Kelley, Pa.	Riley
Dodd	Kelly, N. Y.	Rivers
Dollinger	Kilburn	Robeson, Va.
Dolliver	Kilday	Robison, Ky.
Dondero	Kilgore	Rodino
Donohue	King, Calif.	Rogers, Colo.
Donovan	King, Pa.	Rogers, Fla.
Dorn, N. Y.	Kirwan	Rogers, Mass.
Dorn, S. C.	Klein	Rogers, Tex.
Dowdy	Kluczynski	Rooney
Doyle	Knox	Roosevelt
Durham	Knutson	Rutherford
Edmondson	Krueger	Sadlak
Elliot	Laird	St. George
Ellsworth	Landrum	Saylor
Engle	Lane	Schenck
Evins	Lanham	Scherer
Fallon	Lankford	Schwengel
Fascell	Latham	Scrivner
Feighan	LeCompte	Scudder
Fenton	Lesinski	Seely-Brown
Fernandez	Lipscomb	Selden
Fine	Long	Shelley
Fino	Love	Sheppard
Fisher		Short

Shuford	Thompson, N. J.	Westland
Sieminski	Thompson, Tex.	Wharton
Sikes	Thomson, Wyo.	Whitten
Siler	Thornberry	Widnall
Simpson, Ill.	Tollefson	Wier
Simpson, Pa.	Trimble	Wigglesworth
Sisk	Tuck	Williams, Miss.
Smith, Kans.	Tumulty	Williams, N. J.
Smith, Miss.	Udall	Williams, N. Y.
Smith, Wis.	Utt	Wilson, Calif.
Spence	Vanik	Winstead
Springer	Van Pelt	Withrow
Staggers	Van Zandt	Wolcott
Steed	Velde	Wolverton
Sullivan	Vinson	Wright
Talle	Vorsell	Yates
Taylor	Wainwright	Younger
Teague, Calif.	Walter	Zablocki
Thomas	Watts	Zelenko
Thompson, Mich.	Weaver	

NAYS—1

Taber

NOT VOTING—35

Bell	Gwinn	Reece, Tenn.
Bolton	Harris	Roberts
Oliver P.	Hays, Ark.	Scott
Bowler	Hillings	Sheehan
Buckley	Hope	Smith, Va.
Canfield	Kee	Teague, Tex.
Chatham	Keogh	Thompson, La.
Christopher	Mollohan	Wickersham
Dawson, Ill.	Murray, Tenn.	Willis
Diggs	Poage	Willson, Ind.
Dingell	Powell	Young
Eberharter	Radwan	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Radwan.
Mr. Buckley with Mr. Reece of Tennessee.
Mr. Mollohan with Mr. Canfield.
Mr. Chatham with Mr. Wilson of Indiana.
Mr. Hays of Arkansas with Mr. Hope.
Mr. Bowler with Mr. Hillings.
Mr. Willis with Mr. Gwinn.
Mr. Powell with Mr. Scott.
Mr. Wickersham with Mr. Sheehan.
Mr. Roberts with Mr. Young.
Mr. Thompson of Louisiana with Mr. Oliver P. Bolton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, unfortunately I was unavoidably absent on official business at the time the vote was prematurely taken on H. R. 4720, the Career Incentive Act of 1955, a meritorious and noncontroversial bill for which I have striven during the years. Had I been here, I would have added the 400th vote to the total. But, due to the fact that the scheduled debate was materially reduced, I, like a number of others, was unable to express my desire and to lend my voice and my vote to this meritorious bill. I wish the bill had gone further than it does.

Had I been here, I repeat, with gusto and with great pleasure, I would have added my vote to the 399 others and made it a distinguished 400.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. REES of Kansas. I just want to say the gentleman from Michigan [Mr. DINGELL] has an outstanding record in support of legislation for increased pay and other benefits for members of the Armed Forces of this country, together with their dependents. He is correct, this measure is noncontroversial. The vote was called much earlier in the day than was expected.

Mr. DINGELL. I thank my friend from Kansas very much. He is very gracious indeed.

GENERAL LEAVE TO EXTEND

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OVER AND PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ARENDS. Mr. Speaker, reserving the right to object, will the gentleman please inform us as to the program for next week?

Mr. McCORMACK. I will be very happy to.

On Monday we will take up House Resolution 22, relating to an investigation resolution relating to the Committee on the Judiciary.

On Tuesday there will be the call of the Consent and Private Calendars and the Treasury and Post Office appropriation bill for 1956.

On Wednesday and Thursday we will take up a resolution relating to the disposal of rubber plants based on the report of the Commission. It has to be acted upon within 60 days, and I think the deadline is around March 25 or thereabouts. Then, if a rule is reported on H. R. 3322, the donor property bill, that will be taken up. That is a bill relating to the donation of surplus property to hospitals and colleges, universities, and schools.

On Friday we will take up the second supplemental appropriation bill for 1955.

If there is any additional legislation ready for action, I will advise the House as quickly as possible. Of course, there is the usual reservation that conference reports may be brought up at any time. But, if there is any further program, that will be announced later.

Mr. ARENDS. Will my good friend from Massachusetts advise me whether or not he expects any record rollover on St. Patrick's Day?

Mr. McCORMACK. I am very happy my friend refreshed my memory on that. The leadership has agreed that if there is any rollover requested on any matter coming up on March 17, on any primary

question, the rollover will go over until the next day.

Mr. ARENDS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. MILLER of California asked and was given permission to address the House for 20 minutes on March 18, following any special orders heretofore entered.

Mr. PHILBIN asked and was given permission to address the House today for 30 minutes, following any special orders heretofore entered.

VETERANS' HOSPITALS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, a task force of the Hoover Commission has come up with the most absurd, beguiling, and amazing report I have ever read. At a time when every veterans' hospital in the country is overcrowded, at a time when sick and disabled veterans are being turned away from veterans' hospitals every day for lack of space, at a time when there is growing demand and increasing need for additional hospitals in every section of the country, the Hoover Commission task force has come up with the astounding recommendation that 19 veterans' hospitals—some of them brand new—be closed.

The Commission says our veterans' program costs too much and should be reduced. For the first time in my memory an agency of the Government has hung a dollar sign on the moral obligations of our people to the man who has fought his country's battles in time of war.

The Hoover Commission task force wants destitute veterans who are treated for non-service-connected disabilities to agree to pay for their medical attention if, by some stroke of good fortune, they should accumulate a few dollars after the hospitalization ends. It wants to deny these privileges entirely to our senior veterans who need it most.

The Hoover Commission task force would close down 19 veterans' hospitals at a time when thousands of veterans are receiving inadequate medical care. I say close down instead the Hoover Commission, dismantle it, terminate it, abandon it, and turn the legislative responsibilities of this Government back to the Congress, where they constitutionally belong.

If 19 veterans' hospitals are closed, veterans now occupying beds in these hospitals either would have to be turned out on the streets or transferred to other hospitals. Most of them, of course, would have to be turned out because the fa-

cilities of other hospitals are taxed to the limit. Transferring would mean that the already inadequate facilities of other hospitals would be burdened even further by a sudden influx of new patients.

Mr. Speaker, I am appalled by the narrow, restrictive, and repressive views expressed by the Hoover Commission. In this connection I desire to congratulate my colleague the gentleman from California [Mr. HOLIFIELD] for taking exception to these outrageous recommendations and filing a minority report. I certainly agree with him that the position taken by the majority is wholly unrealistic.

Mr. Speaker, there are now 172 Veterans' Administration hospitals in this country. One is under construction and five others are authorized by law. New hospitals are needed everywhere. In Oklahoma, where we have an excellent State program and excellent State hospitals, we are sorely in need of a neuropsychiatric hospital. We have the location, we have the need, we have the demand, we have the medical background, for a first-class, modern-type, large-scale Federal veterans' neuropsychiatric hospital. We should be thinking in terms of building such hospitals, not of dismantling the ones we have. We should be making plans to fulfill our responsibilities to our sick and disabled veterans and not of abandoning that responsibility.

This is not just an Oklahoma problem. It is a national problem. The Commission's report shows that there are 16,000 applicants waiting for admission to veterans hospitals for neuropsychiatric treatment. What would we say to these men if we adopted the recommendations of the Hoover Commission Task Force and closed 19 VA hospitals?

In all parts of the country hospital facilities are inadequate. Here in Washington, D. C., where a new hospital has been authorized the Mount Alto hospital is a disgrace to the Nation's Capital. It is much too old and far too overcrowded.

Despite this fact and despite similar circumstances in other parts of the country, the Hoover Commission wants to cut down further on veterans hospital beds. Let me cite one example of the Commission's reasoning. It proposes to close a hospital in New York State where veterans with tuberculosis are treated. It says the hospital is isolated from New York City and has trouble obtaining an adequate staff. Yet the Commission's own survey shows that all of the 535 beds in this hospital are occupied. The Commission suggests that one section of a new 1,250-bed general hospital in New York be set aside for the tuberculosis patients now at Castle Point, N. Y.

Perhaps this would save money. It might be done in the name of economy. But, Mr. Speaker, it would be cold and cruel economy to deny a patient in either of those hospitals the bed he needs for treatment.

The American people will not stand for that kind of economy.

Mr. Speaker, the gentleman from Texas [Mr. TEAGUE], chairman of the House Committee on Veterans' Affairs,

already has called attention to some of the problems involved in the proposed closing of veterans' hospitals in the Dakotas, Montana, and Michigan. If the Hoover Commission Task Force recommendations are carried out, veterans in this area will be compelled to travel hundreds of miles to obtain treatment.

Is that fair? Is that just? Is that the American way of dealing with its veterans?

I asked the Veterans' Administration what the average occupancy rate was in veterans' hospitals during the week of February 28, the same week the Hoover Commission sent its report to Congress. I was advised that the rate of bed occupancy in that week was 92.9 percent. The rate of occupancy ranged from 90.3 percent in the general hospitals to 95.7 percent in the neuropsychiatric hospitals.

Do these figures sound as though our hospitals were being run uneconomically, or ineffectively?

There are no figures to show the effect on the remaining VA hospitals if 19 are closed. There likewise are no figures to show what the effect would be on the already overcrowded and understaffed private hospitals. But you and I know the impact would be tremendous. Some of the remaining hospitals simply would not be able to accommodate the patients. I have heard of one instance where the Veterans' Administration closed a hospital ward, then found itself in trouble with the local citizens who demanded that it be reopened. The abrupt closing of a large number of hospitals would bring a nationwide demand for fast reopenings.

Mr. Speaker, I trust the Congress will repudiate this iniquitous proposal of the task force of the Hoover Commission. I trust it will kill it and give it an unceremonious funeral, without benefit of clergy, and will bury it in the ignominious oblivion that it deserves.

THE CABINET REPORT ON FUELS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, I wonder whether individual Members of Congress have given sufficient attention to the White House report on energy supplies and resources policy? This report represents the findings of a Cabinet committee, and it was presumably approved by the White House. Therefore, I feel that it is incumbent upon Congress to give it careful scrutiny.

The report is, in effect, a fuels policy. How many—if any—of the recommendations should be adopted is something for Congress to decide. Some phases of the report merit immediate action. It is not all-inclusive as regards the whole fuels picture, so there will be other phases of energy resources problems upon which we must act independently. It seems to me, however, that the report does offer a good starting place. The fact is that America has been endowed with specific

amounts of coal, petroleum, and natural gas. The judicious utilization of these resources is essential to the welfare of not only present generations, but to that of our children and our children's children as well.

Of the total known energy resources within our borders, coal constitutes upwards of 90 percent, with gas and oil combined amounting to about 2 percent. Oil shale is another important source of energy, and geologists and fuel experts will undoubtedly be able to determine, with a fair amount of accuracy in the not too distant future, the amounts of fissionable materials that are available in this country.

Keeping in mind the percentages of recoverable resources in the three principal fuels currently being utilized, we are unlikely to find any serious dissent with the Cabinet Committee findings relative to the need for a strong coal industry. The report very specifically points out that coal must—and I quote—"maintain a level of operation which will make possible rapid expansion in output should that become necessary."

Each of the several recommendations made by the Cabinet for the reinvigoration of our coal industry will have to be considered by the Congress as quickly as possible. Inasmuch as the residual oil imports problem is now under discussion by the Senate Finance Committee and an amendment to restrict foreign oil has been introduced by a number of Senators representing a diversity of areas of this country, it is logical that we take up this matter first.

The Cabinet report states without equivocation that unless there is a definite check on oil imports, the domestic fuels situation "could be impaired so as to endanger the industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense."

This fact established, the committee comes to the conclusion that in the interest of national defense, imports of crude and residual oil must not "exceed significantly the respective proportion that these imports of oil bore to the production of domestic crude oil in 1954."

The Cabinet report further states:

It is highly desirable that this be done by voluntary, individual action of those who are importing or those who become importers of crude or residual oil. The committee believes that every effort should be made to avoid the necessity of Government intervention.

The committee recommends, however, that if in the future the imports of crude and residual fuel oils exceed significantly the respective proportions that such imported oils bore to the domestic production of crude in 1954, appropriate action should be taken.

Mr. Speaker, the Cabinet committee has forthrightly declared that the unceasing surge of foreign oil into our shores must be controlled, and it is the duty of Members of Congress to provide whatever implementation to the report is necessary to assure that our Nation's defense structure will remain sound and impregnable. We cannot, of course, accept the 1954 imports statistics as a benchmark for the limitations that are to be established. That level, first reached in 1953, was 75 percent higher

than the annual totals which a Senate committee in 1950 found to be highly destructive to the domestic coal industry. Although the 1954 figure might provide a convenient base, it is not a logical or practical one.

When the devastating floodwaters of the Conemaugh River inundated much of Johnstown's business district in 1936, engineering experts got together in an attempt to preclude a recurrence of these conditions. They did not design flood walls merely to prevent the river from sending its raging water higher than the level of the previous year. Had they done so, boating on Johnstown's streets could become commonplace and employees of downtown stores would be well advised to keep life jackets at their counters.

Coal's markets on the east coast have been all but engulfed by last year's 131-million-barrel deluge of foreign residual oil. This figure must be drastically reduced to permit proper resuscitation. It is recognized that energy requirements in this country will continue to rise in the ensuing years and ultimately will reach a point where perhaps 131 million barrels of foreign residual oil may not be considered out of proportion to domestic fuel consumption. Under normal conditions, that day will not arrive for a decade or more. Meanwhile, a sharp reduction of oil imports must be effected at once.

The Cabinet committee, as I have pointed out, suggests the desirability of restricting oil imports by "voluntary, individual action." This proposed course is vague, unrealistic, and impractical. In the first place, the history of the international oil companies is replete with instances of insincerity, intrigue, selfishness, and greed. We were given to believe some 6 years ago that imports were going to be held at approximately the current levels of that time. You know what has happened since then. The House Ways and Means Committee had hearings on the Simpson bill in 1953 and heard witnesses for importing oil companies actually deny that imports are destructive to domestic coal production. This performance was repeated again this year when H. R. 1 was under consideration by the House. This duplicity and deceit was carried into the propaganda campaigns sponsored by these importers, who even had the temerity to lead our citizens to believe that a limitation on residual oil imports would tend to increase costs of household heating oil. Nothing could be further from the truth.

Lest there be any misinterpretation of what I am saying here about oil importers, let me make it very clear that we have no complaint whatsoever with America's own great petroleum industry. Oil was first produced in this country 96 years ago in a little town in Pennsylvania not far from my congressional district.

It is not necessary to attempt to recount, even briefly, the dramatic story of progress that has been written by the domestic oil industry in the ensuing years. Through hard work, determination, a willingness to invest, and a willingness to take a chance, and by assign-

ing science and research to the pursuit of dreams and ideas, this industry has contributed immeasurably to the building of a greater America, to the power necessary to thwart diabolical objectives of tyrants who would conquer the world, to the well-being, enjoyment, and education of each and every one of us.

The American petroleum industry has provided employment—direct and indirect—for millions of American workers. Like other businesses in this land of the free, it has provided the opportunities for the realization of the fondest ambitions of our youth. I read only last week of the impending retirement of the president of a great Midwestern oil firm. He had risen from a job as oil field laborer to the head of the Nation's third largest oil company. The man who will succeed him also started as an oil field roustabout. Similarly, the records of many of the oil companies in Pennsylvania offer numerous outstanding examples of the possibilities for individual success in this progressive industry.

We salute these petroleum companies. They are competitors of coal, but they do not join in the illicit practices of overzealous international importers who would submerge domestic fuel markets in a sea of foreign oil without regard to American workers or national security. As a matter of fact, independent petroleum companies have associated themselves with coal, railroad, and allied industries in asking that Congress enact legislation against excessive imports of petroleum and petroleum products.

Voluntary restrictions? Let's not be naive. The duty of imposing quotas is constitutionally prescribed to Congress. Even if the shrewd manipulators involved in this business of international oil had not already demonstrated the futility of having our Nation rely upon their word for a sane course of action in regard to these importing deals, it would still be risky for us to encourage them to get together and decide upon the quantities of oil that they are going to pick up in their assorted foreign refineries and ship to the United States. The next move in such collusion is the further regulation of their prices, and woe to us when these internationalists set up housekeeping—and bookkeeping—under Government sponsorship.

I commend to your attention the Cabinet committee report, and I suggest as a first step in establishing our fuels program on a firm foundation, the imposition of a 10-percent quota limitation on foreign crude, residual oil, and on other products. This course of action is absolutely necessary for the guarantee of a strong national defense and for the reactivation of the domestic and coal industries.

COLORADO-BIG THOMPSON MOUNTAIN DIVERSION PROJECT

The SPEAKER. Under previous order of the House, the gentleman from Colorado [Mr. HILL] is recognized for 30 minutes.

Mr. HILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I wish to discuss this afternoon one of the greatest irrigation projects that has ever been undertaken by the Department of the Interior in all of the fine work that it has done in the West. It is one of the most interesting projects in all the world.

Mr. Speaker, within a short time we will see the completion of a project which had its beginning in 1933. That project is the Colorado-Big Thompson transmountain diversion project of the Bureau of Reclamation. With the gigantic job completed, northeastern Colorado can look forward to the greatest period of achievement and prosperity in its history.

The idea of bringing water from the western slope of the Rocky Mountains to the eastern slope in northern Colorado is not new. Plans were proposed as far back as 1890, 65 years ago. The present Colorado-Big Thompson project was conceived in Greeley, Colo., in August 1933, when a group of men met to consider once and for all whether such a plan was feasible or practical.

The man who should be called the father of the present plan was the late Charles Hansen, editor and publisher of the Greeley Daily Tribune. It was Mr. Hansen who organized the first meeting of interested citizens and who spearheaded the enthusiasm in the project.

Many public-spirited individuals and organizations contributed funds for the preliminary survey. This survey was conducted by R. J. Tipton, deputy State engineer for Colorado. The report issued by Mr. Tipton revealed that about 300,000 acre-feet of water from the western slope could be diverted in a project of this type.

Subsequent to the Tipton report the Bureau of Reclamation received an appropriation of \$150,000 to make a complete survey and report on the possibility of the project. This survey took more than 2 years, during which time Mr. Hansen and his associates formed the Northern Colorado Water Users Association, a mutual-stock company. The purpose of this organization was to promote interest in the project.

When it became known that the report of the Bureau of Reclamation would be favorable, an organization was formed to guarantee repayment of construction costs of the irrigation features of the project. This organization was the Northern Colorado Water Conservancy District, authorized by the 1937 State legislature.

The enabling act provided for payment of a portion of the costs of operation of the program by the public as a reflection of the prosperity created by an increased and stabilized water supply. In this way, farmers and urban dwellers who benefited from the increased prosperity would share in the cost. The idea of hydroelectric power in connection with the project had had little consideration. The central idea was supplementary irrigation water.

After the organization of the district, the officers and directors negotiated with

the Bureau of Reclamation for a contract that would be acceptable to the property owners in the district.

As finally agreed upon, the contract described the 34 features designed to divert and distribute an average of 310,000 acre-feet of water annually to the Eastern slope irrigated area, as well as to generate and market the electric power.

It provides that the district and the United States shall share the project cost, with the obligation of the district limited to \$25 million. The cost assumed by the United States Government would be repaid by the sale of power to distributing agencies.

The contract further provides that beginning the next year after the project is completed and water delivered, the district shall pay \$450,000 per annum for the next 20 years, \$500,000 per annum for the next 10 years, and in each of the last 10 years of the 40-year replacement period, one-tenth of the remaining total. Under the existing law, the cost of a reclamation construction project must be repaid, without interest, in 40 annual payments.

The contract was submitted to property owners and was approved by a majority vote.

The first congressional appropriation for the project was made in 1937 for \$900,000. This enabled work to begin on the Green Mountain Dam and power plant on the Blue River on the western slope. This is a replacement and supplementary storage feature, designed to protect western slope water users and assure them of a permanent water supply before the 300,000 acre-feet would be diverted. Water collected in this reservoir was largely responsible for profitable and successful farm operations on the western slope in 1954 during a severe and disastrous drought.

The powerplant with a capacity of 21,600 kilowatts went into operation early in 1943 and has substantially increased the industrial potential of the area since that time.

Work has continued steadily on the project since 1937 except during World War II, when construction was considerably curtailed.

The backbone of the project, the Alva B. Adams Tunnel, which carries the water under the 12,000-foot mountain range, was begun in 1940 and completed in 1947. The tunnel was named for the late Senator from Colorado, Alva B. Adams.

The tunnel itself is a true miracle of engineering achievement. More than 9 feet in diameter and 13.1 miles long, it is the longest irrigation tunnel in the world and the longest tunnel of any kind in the United States. The eastern portal is 109 feet lower than the western portal, thus allowing gravity to carry the water from one side of the Continental Divide to the other. It has a capacity of 550 cubic feet per second.

The Colorado-Big Thompson project is a complex engineering achievement, but its many individual units can be described briefly to give you an idea of the magnitude of the operation.

First is the collecting and storing in reservoirs of water on the western slope.

Second is the pumping of some of this collected water to an elevation where it flows by gravity through the Adams Tunnel. Third is the generation of electricity in hydroelectric plants as the water flows down the eastern side of the mountain range. Fourth is the storage of the water in two large foothill reservoirs—Horsetooth Reservoir and Carter Lake Reservoir—where it is stored for irrigation purpose. Fifth is the construction of electric transmission lines.

In order to achieve all of these objectives, 13 reservoirs and regulating basins within an area of 14,960 acres have been built with total storage capacity of 984,975 acre-feet. Twenty-three dams and dikes have been constructed, using 23 million cubic yards of earth and rock, 52,000 cubic yards of concrete and nearly 2,500 tons of steel. Twenty-four different tunnels have been drilled with a combined length of 35 miles. These tunnels contain 336,700 cubic yards of concrete and 5,600 tons of steel. Eleven canals totaling 93 miles have been dug to convey the water from one section of the project to another. Four powerplants, generating a total of 107,350 kilowatts, have been constructed. A total of 40 million man-hours of work will have been utilized to construct the project in spite of today's many labor-saving devices.

This is but a bare outline of the project.

In summary, the project provides supplementary water for a large area of excellent farmland; a new source of vital electric power for a region still in its industrial infancy; attractive areas for recreation on mountain lakes and reservoirs.

I include excerpts from the publication, the Golden Jubilee of Reclamation. This brochure was published in 1952 and commemorates the 50th anniversary of the Reclamation Service—now the Bureau of Reclamation, 1902–52. A large portion of this publication is devoted to the Colorado-Big Thompson project, but the final paragraphs, I believe, are particularly appropriate:

A project such as the Colorado-Big Thompson is not just rock, steel, tunnels, turbines, canals, and siphons. First, there must be men—men of vision, men of courage, and men of tenacity. The project called forth the best in such men and they gave unstintingly.

They were found on the land itself and they were found in the Bureau of Reclamation. From Kremmling to Julesburg, from the Wyoming line to the New Mexico border, and in fact, throughout the Nation, men worked to help, directly and indirectly, in furthering the project.

The State's delegations in Congress, regardless of party, put their shoulders to the wheel. They have included such men as United States Senators E. P. Costigan, Alva B. Adams, Eugene D. Millikin, and Edwin C. Johnson; such Congressmen as Fred Cummings, William S. Hill, Lawrence Lewis, John Martin and Edward Taylor. Governors of the State lent their help and influence.

The late Judge Clifford H. Stone, who had been director of the Colorado Water Conservation Board since its formation in 1937, must be listed among those who gave vital service in advancing the project.

To call the roll of all the men who helped would be almost impossible of listing; but it would be a roll of honor. There is the late Charles Hansen, publisher of the Greeley

Daily Tribune, one of the initial sponsors of the project, who became president of the Northern Colorado Water Users Association at its inception in 1935 and then became president of Northern Colorado Water Conservancy District upon its formation in 1938. His determination and faith contributed greatly to keeping the project moving ahead when others would have faltered.

There was Thomas A. Nixon, attorney, now deceased, who along with William R. Kelly, attorney, both of Greeley, labored long and hard in preparing the project plans for presentation to Congress and in solving the many legal problems that arose. Both have served as attorneys for the conservancy district.

J. M. Dille, long associated with irrigation systems in northern Colorado, was called upon as early as 1933 to assist in the furtherance of the transmountain diversion project and he was appointed to the first board of directors of the conservancy district and was named secretary-manager in 1938, a post he still holds.

Dr. Charles A. Lory, president emeritus of Colorado A. & M. College, was among the early planners of the project and served as a district director. The late Judge Claude C. Coffin, district judge, granted the petition for the formation of the conservancy district.

In Longmont, Loveland, Fort Collins, Estes Park, Berthoud, Lyons, Windsor, Boulder, Johnstown, Sterling, Brush, Fort Morgan, Grand Lake, Julesburg, and other towns and communities, countless others contributed their full share to success. Residents of all, or parts of, Boulder, Larimer, Weld, Adams, Morgan, Washington, Logan, and Sedgwick Counties stood up to be counted.

During most of the years of planning and construction of the Colorado-Big Thompson project, Ray Walter, at one time a practicing engineer in Greeley, Colo., was Chief Engineer for the Bureau of Reclamation.

Porter J. Preston, who died in 1950, was senior engineer for the project for the Bureau of Reclamation from 1933 to 1938 and from 1938 to 1940 when he retired, he was supervising engineer. Educated in Colorado and having spent his professional life in Colorado or nearby States, he felt a native son's interest and enthusiasm for the project.

It was during the administration of the late C. H. Howell as construction engineer and project engineer that the Adams Tunnel was completed. He served as project engineer on the project from 1941 to 1947 and as construction engineer on the Alva B. Adams Tunnel from 1938 to 1940. He was instrumental in the development of the Howell-Bunger valve which has been used successfully for outlet works.

Many others have contributed on behalf of the Bureau of Reclamation to the planning and construction of the project.

Most certainly, the Colorado-Big Thompson project has been a big job for big men, but the men came forth.

Now, Mr. Speaker, I would like to discuss some of the aspects of reclamation in general. All too often critics of the Bureau of Reclamation, and the projects that have been so beneficial to the West and the Nation, attack without much basis of fact, the fine work that Bureau has accomplished.

To illustrate, let me quote from an article written by Robert H. Hansen which appeared in the Denver Post on January 16, 1955, and entitled "Prairie Dogs Versus Prosperity?"

Just a little more than 100 years ago, Daniel Webster scornfully described the western half of the United States as the formidable home of savages and beasts and an expanse of wastelands and brooding mountains.

Speaking against western railroad development, Webster declared:

"I will not vote 1 cent from the Public Treasury to place the Pacific Ocean 1 inch nearer to Boston than it is.

"What do we want with this worthless area—this region of savages and wild beasts, of shifting sands and whirlwinds of dust, of cactus and prairie dogs?"

"To what use could we ever hope to put these great deserts and these endless mountain ranges?"

Few men so illustrious have ever proved so wrong on such a tremendous scale so soon.

Now I have another quotation I would like to add to that. On page 64 of a brochure entitled "What Price Federal Reclamation?" written by Raymond Moley and published by the American Enterprise Association, Mr. Moley said:

These authoritative studies, together with many more from Government sources, show the utterly insubstantial character of the argument for the further reclamation of arid land, at the prices envisaged because of a future national need for food and fiber.

Mr. Moley, while not so illustrious as Daniel Webster, is just as wrong.

In his pamphlet, Mr. Moley attempts to build a case against any further reclamation projects.

For the information of the House I would like to quote several excerpts from *Prairie Dogs Versus Prosperity*, detailing just what reclamation has meant to the West and the Nation:

Today, 54 years of Federal reclamation have cost \$2.4 billion—insignificant compared to the fabulous new frontiers it opened, the billions of dollars it poured into the pockets of farmers, wage earners, and businessmen, the millions it has raised in local, State, and Federal taxes, the hundreds of thousands of new jobs, new farms, and new industries it created, the tremendous new markets, sources, and opportunities it developed.

But today, the continuation of that program has been slowed down by skeptics, opponents, and men of little faith.

Reclamation appropriations have been more than cut in half since 1950, from \$358.3 million a year to \$143.6 million.

Total reclamation employees have been reduced by nearly one-third in the last 2 years alone, from 13,348 in 1953 to 9,700 today. Hundreds of those 3,600 employees who have been laid off are going to be hard to replace when and if reclamation is ever cranked up again, for they include some of the world's finest engineers and most expert technicians.

President Eisenhower promised a revival of major reclamation activity when he addressed the opening of the 84th Congress. He pledged support of the upper Colorado River storage project, which will be a \$1-billion-plus undertaking that will require something more than 30 years to complete. As with other enormous projects of that kind, Congress will be asked to appropriate funds each year to carry them on, rather than put up all the money in any single year.

A smaller but still costly and complex project is the Arkansas-Frying Pan which will provide supplemental water to 300,000 persons in the Arkansas Valley, and add to the critically short water supply of Pueblo, Colo.

The President, Interior Secretary McKay, and Reclamation Commissioner Dexheimer are all committed to both projects. But they have been unsuccessful in selling Congress on them as a result of strong opposition by nonwestern Representatives and Senators, and by other groups who insist the economic justification of such public works is missing. And in finding fault with the repayment procedures, the power-sales policies, and the subsidies to agriculture,

opponents of reclamation often ignore the demonstrated benefits that have flowed from this program over the years. Too many of those who flatly reject reclamation as a worthy function of Government don't know the facts.

The total \$2.4 billion spent on all Federal reclamation since 1902 would finance the Defense Department less than 1 month.

What has been spent on reclamation over 50 years would finance our foreign aid program to overseas nations for only half a year.

What was spent on reclamation in the one fiscal year of 1953 would have financed the Defense Department less than 3 days, the foreign aid or Veterans' Administration programs less than a month.

Now take revenue returns to the Federal Government from reclamation projects:

The 29 powerplants now in operation have paid back \$226 million net to the Federal Treasury, \$34 million in fiscal 1954 alone after deductions for annual operation, maintenance and replacements. Over the next 50 years a total net return of \$1,692,500,000 in power revenues is predicted.

Irrigation and municipal water repayment contracts will return \$691 million, of which \$109 million has already been paid. While making these construction account repayments, the water users have also paid operation and maintenance costs as they became due.

The total return to the Treasury from water and power projects combined will come to \$2.6 billion over the next 50 years, of which \$335 million has already been paid.

Now taxes:

Since 1916 Federal income-tax revenues which can be attributed directly to Federal reclamation project developments have exceeded \$3 billion. This sum alone exceeds by 25 percent the total cost of all bureau-constructed projects to date.

"Long after project costs have been repaid fully through the sale of electric energy and operations of repayment contracts," the report stresses, "the new wealth created through the Federal investment in the development of its own resources will be reflected in a continuing flow of tax revenues from the project areas and from the rest of the Nation as well."

The crops and livestock shipped out of a reclamation project area create income in transportation, processing, milling, spinning, weaving, manufacturing, wholesaling, financing, retailing, and all other processes between the farm and the consumer.

Total crop production on reclamation projects since 1906 stands at \$10 billion—nearly five times the total cost of all reclamation works.

The irrigated west produces almost all the Nation's apricots, almonds, walnuts, dates, lemons, figs, prunes, and olives. It grows 95 percent of the grapes; 90 percent of the lettuce; 75 percent of the avocados, pears, and cantaloupes; 65 percent of the asparagus; 50 percent of the peaches, and more than half the truck crops.

Off-season production is important, too. Witness these contributions to the Nation's dinner table from Arizona's Gila, Yuma, Salt River, and Boulder Canyon projects alone:

More than 97 percent of United States grown dates; 45 percent of winter and 42 percent of spring lettuce; 85 percent of early spring cantaloupes and 80 percent of early summer melons; 85 percent of the spring carrots, and sizable portions of the national supply of other choice vegetable and truck crops vital to healthy diets.

The second trade-creating aspect of reclamation is the purchasing power of project farmers and others whose livelihoods depend on their production.

The Reclamation Bureau discovered that the new income generated at the local farm and nonfarm level is about 170 percent of the value of crop production. That would be \$1.3 billion in 1953 alone. Largely, that goes into retail sales.

California's Central Valley project—one of the world's biggest—was cited as an excellent example of the business this new income makes possible. The Central Valley project, it is estimated, provides a new market for:

One million pair of shoes every year, from Massachusetts, New York, Pennsylvania, and Missouri.

Ten million dollars worth of tobacco products, which come from North Carolina, Virginia, Kentucky, Florida, and Pennsylvania.

And 8,000 vacuum cleaners, 8,000 refrigerators, 8,000 ranges, 8,000 washing machines, 8,000 radios and TV sets—all of which will come from many States but chiefly from Ohio, Michigan, Illinois, Connecticut, New Jersey, New York, and Pennsylvania.

And that's not all. The report continues: "The increased purchasing power of this one project translates into an annual market for 15,000 new cars, some from Detroit and South Bend and other cities, but many assembled in California from parts manufactured in Michigan, Indiana, Illinois, Ohio, and Wisconsin; for hundreds of thousands of dollars' worth of textiles from New England and the South Atlantic States; and for thousands of automobile tires and accessories, home appliances, office machines, and all the assorted gadgets of the day produced in all corners of the country."

The 6,000 new farms carved out of the Central Valley desert, the report disclosed, also require 8,000 tractors, largely from Pennsylvania, Illinois, and Wisconsin; 7,500 trucks from Michigan, Indiana, and Wisconsin; and 1,000 hay balers, spray outfits, harvesters and other machines from Tennessee, Iowa, Wisconsin, Illinois, New Jersey, and Pennsylvania; and thousands of plows, harrows, cultivators, mowers and other implements from the Great Lakes, East Central and South Central States.

All this in a land not even Daniel Webster wanted only 100 years ago, in a land only cowboys, trappers, and Indians even knew. And still this digest has only scratched the surface of the role reclamation has played in this great boom.

The Reclamation Bureau's fact-finding report makes this comment, populationwise: "The story of the phenomenal growth of our Nation is the story of the new frontiers it has conquered. The Ohio Valley, Louisiana Territory, California, the Oregon country, Alaska, and the persistent development of the resources of these and many other new frontiers have provided the Nation with the ingredients for economic growth.

"From the Nation's beginning it was the resources from the new frontiers that nurtured it from economic infancy as a nation of farmers and woodsmen to the industrial giant it is today, and made possible the population growth from the 5.3 million of 1800 to 161 million today."

Clearly, said the Bureau, the West today is that new frontier with the new resources the Nation needs to feed and clothe its climb to 200 million by 1970.

Since 1900, it noted, the 17 Western States gained 204 percent in population; the 11 Mountain and Pacific States, 378 percent, and the 3 Pacific States, 499 percent. During the same time, the national population did not quite double.

Since 1940, the Bureau went on, the 17 Western States gained 25.8 percent; the 11 Mountain and Pacific States 40.9 percent; and the 3 Pacific States 48.8 percent. The total United States population increased only 14.5 percent.

"The West is growing up and, in the process, is assuming more than ever a position

of vast strategic importance in the Nation's future," the Bureau sums up.

In direct benefits such as reclaimed land, irrigation and other water development, public power and flood control, reclamation makes perhaps its most valuable contributions to the Nation's economy.

There are 69 irrigation projects or major divisions constructed by the Government, or receiving water through Government-built works, scattered over the 17 Western States.

They supply full or supplemental water to more than 7 million acres. About two-fifths of those lands depend on reclamation for their full water supply; three-fifths for part of it.

They lie from the hay and pasture producing high mountain valleys to below sea-level truck crop farms. They constitute only 23 percent of the total number of acres irrigated in the West, and only 21 percent of the Nation's irrigated land. The rest is irrigated by private projects.

Federal reclamation water serves about 125,000 family-size farms, and another 125,000 suburban homes. On the projects were 417 towns with a population of more than 1.6 million.

"Considering power, municipal, and industrial water and irrigation," says the reclamation bureau, "more than 5 million people in the service areas of reclamation projects obtain their living directly or indirectly by reason of the project development."

Seventeen multipurpose reclamation projects with 29 powerplants are now in operation. They include 4.72 million kilowatt capacity, almost 9,000 miles of transmission lines, and nearly 300 substations.

In fiscal 1954, these plants generated and sold 24.5 billion kilowatt-hours of electricity, enough to supply a city of 7 million people.

The sale of that power netted the Government nearly \$34 million, after paying all operation, maintenance, and replacement costs.

The rates are fixed to pay off the Federal power investment, plus 2½ to 3 percent interest, in the first 50 years of plant operation.

The 29 powerplants now in operation on Federal reclamation projects have paid back some \$226 million to the Government, and in the next 50 years at current rates should return a total of \$1.7 billion more. That revenue will keep right on coming in long after the plants are fully paid off.

Under the present concept of comprehensive, multipurpose water development, the Federal Government now includes current and future water needs of all cities and towns in project areas.

It also carefully considers downstream flood-control needs as well.

The first reclamation projects were strictly for irrigation. Then along came power to help pay the bills, and domestic water for thirsty cities. And today, flood control protection is a major consideration.

The Bureau has found that a little more cost to include flood-control features can save millions of dollars and even hundreds of lives downstream.

For example, the dams on the Columbia River saved an estimated \$5.5 million in flood damages in 1950. The giant Shasta Dam in California held that State's worst flood in history to a toll of \$10 million, also in 1950.

Remember the great Kansas flood of 1951, the following year? Worst in the Nation's history, it caused nearly \$1 billion in damages, killed 18 persons, drove 87,000 from their homes, destroyed 351 businesses, did \$363 million damage to Kansas City alone.

That scarred into history just how disastrous floods can be.

And it was all so needless. Engineers can prove those raging torrents could have been

reduced to a mere trickle by dams and levees long held on drawing boards by lack of construction funds.

Each of the reclamation dams, then, holds back water, stores it for time of greatest need, and puts it to beneficial uses for all the Nation that can be measured only in the billions—water which, if not controlled, could destroy property and life with the suddenness of lightning.

To what extent does the future of America rest upon water development? The Bureau, in reply, quotes President Eisenhower's letter to Secretary McKay on May 26, 1954, as follows:

"The conservation and use which we make of the water resources of our Nation may in large measure determine our future progress and the standards of living of our citizens.

"If we are to continue to advance agriculturally and industrially," President Eisenhower continued, "we must make the best use of every drop of water which falls on our soil, or which can be extracted from the oceans.

"It is my desire that this administration furnish effective and resourceful leadership in establishing national policies and improving the administrative organization needed to conserve and best utilize the full potential of our water resources."

Reclamation, then, stands today at the crossroads and so does the Nation.

In 52 years reclamation has built facilities to supply water to 7 million acres of land which includes a full water supply for 3 million acres and a supplemental water supply for 4 million acres.

This area provides an estimated 125,000 irrigated farmsteads (80-acre average) and an equal number of suburban homesteads.

Each irrigated farm of 80 acres supports 8 people in the project service area, produces an average of \$10,000 gross farm income each year, provides an average market of \$4,550 in retail sales, contributes an average amount of \$1,250 in Federal taxes and comparable amounts in State, local, and school taxes, is an island of production stability in an area where dependence on normal rainfall brings inevitable drought disaster.

In summary let me point out how reclamation pays:

Crop production in 1953 from 69 reclamation projects or major divisions was valued at \$785.9 million.

The cumulative value of crops produced from 1906 to 1953 totals almost \$10 billion.

The total cost of plant, property, and equipment of all Bureau of Reclamation-constructed projects through June 30, 1954 is about \$2.6 billion.

Income to reclamation-project farmers and farm workers totaled \$550 million in 1953, or cumulative income since 1906 of \$6.8 billion.

Annual business activity attributed to fishing, hunting, and other recreation at reclamation reservoirs is estimated at about \$33 million annually.

Irrigation and municipal water repayment contracts will return \$691 million to the Federal Treasury.

Twenty-nine power plants under Federal reclamation operation have a total installed capacity of 4,718,450 kilowatts.

Sales of electric energy in 1954 totaled 27,071,363,414 kilowatt hours. This produced a total revenue for the Federal Treasury of more than \$50 million.

Potential returns from water contracts and power revenues for the next 50 years will aggregate \$2.6 billion.

Federal tax revenues since 1916 from reclamation areas now stand at more than \$3 billion. This sum exceeds by 25 percent the total cost of all Bureau-constructed projects to date.

I now yield to my colleague from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. First, I should like to compliment the gentleman and his presentation of the Big Thompson project and the good it has done in our great State.

May I further state that as he has described it, the north and the northeastern part of our State is in great need of water and is probably one of the areas in the United States that depends more on irrigation water than any other section; that as he pointed out the people of the State of Colorado in conjunction with the Congress of the United States made it possible for the development of this great project the object of which as he told us is the transportation of water through a tunnel under the Continental Divide known as the Alva B. Adams Tunnel.

Just this last year there was a serious drought in this area in the northern part of the State. Due to the fact that the people were foresighted enough to join in this program—and I may say that they agreed within the Northern Colorado Conservancy District that they would pay ad valorem taxes on all property, be it farmland, machinery, automobiles, or whatnot, in order to help make this project feasible—they were paid in the water that was received this year when they had that serious drought, because there was a sufficient amount to act as a supplemental water supply that made possible the production of the abundant crops that were harvested in the northeastern part of the State.

We in Colorado believe this is a step in the right direction, because it makes possible the utilization of a large percentage of the water that rises on the high Rockies and particularly the Continental Divide.

Again I want to compliment the gentleman for calling the attention of the House to the tremendous success of the Big Thompson project in our State.

Mr. HILL. I thank the gentleman.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I appreciate the gentleman's remarks about the Big Thompson. His district in Colorado adjoins part of my district in Nebraska. I have lived in the shadow of that development since 1919. The value of water to an arid land is incalculable in dollars and cents.

During its 52 years of operation the Bureau of Reclamation has built 116 dams, including the Hoover, Grand Coulee, Shasta, and Hungry Horse. They have also built 5,000 miles of canals carrying water through that thirsty land. As the gentleman from Colorado pointed out, more than 7 million acres now receive additional water or entirely new water as a result of irrigation projects.

The value of new wealth added to the Nation's economy last year from this

source was something like \$800 million. About the turn of the century this country may well have a population of 300 million within its borders. Those people are going to have to be fed and clothed, and much of those necessities must come from new farming methods and from new land brought into production.

Give me 1 more minute to say this, and I say it in all kindness to some of my esteemed friends from Pennsylvania, New York, and other Eastern States, relative to flood control: We are having now a hearing in the Committee on Interior and Insular Affairs on the question of the upper Colorado development where they are trying to impound some 7,500,000 acre-feet of water to benefit the people in that area and, indeed, furnish electric energy for a large, large area.

The amount of money spent since the inception of irrigation in this country is only \$2,158,185,000. I repeat, that is the amount of money spent since the inception of irrigation projects. No interest is paid on that money but the principal is repaid to the United States Government. Those payments are nearly current now. On the other side of the ledger those who sometimes complain about irrigation projects have large flood-control projects in their States. Flood control since it started, and that has not been many years ago, has been given \$7,245,017,000. Not 1 penny of that returns to the Federal Treasury in interest or principal. Some of the States benefit as follows: California \$418,183,000, Louisiana \$593 million, Michigan \$186 million, Mississippi \$274 million, New York \$296 million, Pennsylvania \$323,865,000. Remember, not 1 penny of that is paid back in either interest or principal to the Federal Treasury.

During all of that time and through 1952 more than \$7 billion has been spent for flood control. I voted for that. About \$2 billion has been spent for irrigation and reclamation projects and the reclamation projects pay back. There are great and untold millions of dollars that go to the Federal Treasury because of the new wealth that is created and the new taxes being paid on that wealth.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. May I commend the gentleman from Colorado for making this fine statement today, not only about the Colorado-Big Thompson project but also in defense of reclamation in general. The names that the gentleman mentioned are very familiar to me. I am happy to see the gentleman give credit to the late Charles Hansen for being the father of the Colorado-Big Thompson project. It was my great pleasure to visit with Mr. Hansen many times. I know this was something very close to his heart and I know of the time and energy he devoted to bringing this project to reality.

I want to state to the gentleman that while he has a fine project in northern Colorado in southern Colorado we are attempting to bring about the same type of project through the construction of

what is known as the Frying Pan-Arkansas transmountain water-diversion project. The bill is pending in this Congress and I am hoping to have it authorized during the present session. This project would bring water from the western slope of Colorado, just as the Colorado-Big Thompson project brings water to northern Colorado. The water from the Frying Pan project would go into the Arkansas Valley in southern and southeastern Colorado, where additional water is desperately needed, both for supplemental irrigation and for domestic purposes. So I am happy to join with my colleague this afternoon in his presentation of the reclamation program. I am sure that if those who are critical of reclamation would visit the Colorado-Big Thompson project, which the gentleman has so ably and accurately described this afternoon, much of this criticism of reclamation in general would be dissipated.

Mr. HILL. Let me say that I have some figures the gentleman will be interested in. This is to answer the folks who extend their hands high to the heavens crying that you will bankrupt the Treasury. Take the budget for 1954, \$62.4 billion, and let us consider the 17 Western States. I have the total here of all the projects that they have had up to 1950. That is as close as I can get it. All of the money that has been spent up to that time is what part of 1 year's budget? These are not figures taken from the Department of the Interior; they are figures from the Department of Commerce. Here they are: 2.89 percent. Total cost of the Colorado-Big Thompson project is now estimated to be \$164 million. The total cost of \$164 million would be less than three-tenths of 1 percent of the budget for 1956. Then these folks say you are bankrupting the Treasury.

Tell me, where is their soundness or reasons for making any such wild and absolutely unfounded statements?

Mr. CHENOWETH. I wonder if the gentleman in his preparation of this very splendid statement has computed the amount of money which the United States Treasury received in increased income taxes and in purchasing power as the result of not only the Big Thompson project but these other reclamation projects in the West.

Mr. HILL. I gave some figures on that.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I will not take part in this discussion only to say that I was privileged to do a great deal for the Big Thompson project at the time of its authorization and when the appropriations were made. I want to say at this moment, whether it be the Arkansas-Frying Pan or the Big Thompson or any other project, where you divert the water by tunneling from the western to the eastern slope, that it is the only way you can get the water there; that half of the State of Colorado will always be parched and not nearly as productive as it can be if water is supplied. It is the only way it can be done,

by making this very sound investment; and an investment it is, nothing else, else I from Michigan would not be enthusiastic about it. The more prosperous you are in Colorado, the more of Michigan's products you will buy and the happier we both will be. Under the old Colorado River Compact, which has always captivated me, and I was intrigued by its discussion many years ago when I lived in Colorado Springs, the only way under that compact that you can ever get anything out of the vast volume of waters which Colorado contributes to the Colorado River drainage system is by boring tunnels from the west through the mountains and getting it from where there is too much of it and bringing it to the areas that need it to make a paradise out of the parched prairie lands to the east. It is a good investment, and it is something for all the people, although primarily the people of Colorado will benefit.

Mr. HILL. I will say to the gentleman from Michigan that Colorado contributes 72 percent of all the water that flows down the Colorado River.

Mr. DINGELL. I am familiar with that, and it gets very little in return.

Mr. CHENOWETH. Mr. Speaker, if the gentleman will yield further, I just want to thank the gentleman from Michigan for his support of western reclamation and for his interest in Colorado, as a former resident. We do appreciate your help, and I want again to thank you.

Mr. DINGELL. You could not drive me away from this type of work.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend as part of my remarks a summary of *The Prairie Dogs Versus Prosperity*, written by Robert H. Hansen, published in the *Denver Post* January 16, 1955.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INCENTIVE PAY FOR THE ARMED FORCES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I was very glad to vote for the incentive-pay bill, as it is called, which the Committee on Armed Services brought in unanimously. I have a great interest in and sympathy for the young men and women of the country today who are sitting, perhaps, in the shadow of a war. We hope it will not come. It is very difficult for them to make their plans, and if they have a little more pay, it certainly eases the tension a little. It shows an appreciation of the service that they are rendering.

I want to speak especially of the Air Force. Everybody knows that every time a pilot goes up in a plane, if that plane has not been properly serviced, that pilot is in danger of losing his life.

I like very much Secretary Talbott, the Secretary of the Air Force, because of his interest in the men who fly the planes, and in their families. He realizes full

well what the danger is every time a pilot takes off. It is much more dangerous now that we have these tremendously fast and effective jet planes. And everybody knows what it means when a plane takes off from a carrier at sea, particularly in rough weather. That pilot may never be able to land again.

I wish everybody in the country could see the moving picture *The Bridges of Toko-Ri*. It would give them a chance to see the actual dangers to which these men are subjected and an evidence of their courage.

I am deeply troubled, Mr. Speaker, at the innumerable—I say “innumerable” advisedly—commissions that have been formed and are being formed all the time to see how economies can be effected in the care of veterans. I would rather see these commissions formed with a view to seeing how improved care can be given to the veterans instead of how those items could be cut. I think we ought to talk upon that subject constantly, because these men get out of the service and some of them have been wounded, some of them are disabled and some mentally sick, too sick to file any claims for compensation. It is easy to forget and they do not talk about it. It is easy to forget the care that they must have. The service organizations fight their battles. But I point out that those service organizations cover only a comparatively few of the men and women who serve. Some of the commissions to investigate veterans benefits that are appointed do make a few good suggestions, and some of the work is bad, very bad and very unfair, but much of the work they do is done by officials of the Veterans' Administration in preparing the figures and in explaining the various functions of the Veterans' Administration. The Veterans' Administration officials do not recommend anything but they prepare the figures. There are sometimes as many as 4 or 5 people representing different departments, the Budget, the Appropriations Committee, the Veterans' Affairs Committee, and the Comptroller General's Office. They are all investigating the activities of the Veterans' Administration. In many instances they do so without too much thought of the future well-being of the veterans. They do so just with a view to saving money.

TEN YEARS OF RUSSIAN SLAVERY IN RUMANIA

The SPEAKER pro tempore (Mr. DEMPSEY). Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, it was just 10 years ago, on March 6, 1945, that the Kremlin installed by violence its absolute rule over the Rumanian nation and people. The takeover and the occupation of Rumania by the Russian Communists was in violation of all the tenets of international law as well as the commitments made by the Russians to the Western Allies as to the manner in which the people of Central and Eastern Europe would choose their governments at the end of hostilities.

For 10 long years the Rumanian nation has been occupied and exploited by the Russian Communists and their local henchmen, and unbelievable crimes have been committed against the Rumanian people.

Rumania did fight against the Soviet Union during World War II. Centuries of experience of living in an area close to the Russian autocrats taught the Rumanians that it was impossible to be an ally of the Russians and survive as a national entity. The passage of events since 1945 have well demonstrated that the Rumanians were not fighting as allies of the Nazis but rather as enlightened defenders of the Rumanian nation.

Andrei Vishinsky was the principal agent of the Kremlin in bringing about the Communist takeover of Rumania in March 1945. It was this same Vishinsky who laid the groundwork for a campaign of terror, torture, and murder which characterized the so-called elections of November 1946, in Rumania. Vishinsky has passed on to his reward, but the tyranny of Russian communism continues in Rumania and all the other captive non-Russian nations of the empire.

We must not forget that Rumania was fighting on the side of the Western Allies during the closing months of World War II, and suffered more than 150,000 casualties. Nor should we forget that 130,000 Rumanian soldiers were declared prisoners of war by the Russians and deported to the Soviet Union after the Rumanian cease-fire and the armistice declaration.

During these long and dark 10 years of Russian occupation of Rumania the Moscovites have established at least 14 joint companies, known as the Sovroms, which are bleeding the country white. Rumania was obliged by treaties to pay reparations to the U. S. S. R. a sum of \$300 million. However, conservative estimates indicate that more than \$3 billion had been looted out of Rumania by the Russian-managed Sovroms.

One of the largest forced labor camps in Central Europe has been organized in Rumania as one of the devices to crush the tremendous resistance of the patriotic Rumanian people. The peasant resistance against communism in Rumania is considered to be one of the strongest throughout the whole Russian Communist empire. It is a popular saying among the enslaved people of Rumania that enemy No. 1 of communism is the peasantry and enemy No. 2 the United States.

For over 200 years the Rumanian nation and its people have suffered at the hands of Russian imperialism, with all its depredations and well-known political oppression. There is good reason to believe that one of the objectives of Moscow's European policy is to completely annihilate the Rumanian nation. These facts account for the heroic resistance of the enslaved people in Rumania as well as natives of Rumania who are now living in exile in the free world. One can well understand the anxiety of these Rumanian exiles when they know that slowly but surely their native land and its people are being suffocated and destroyed. Against this background we can understand better the motivation of

the Rumanian patriots who took over the Communist-occupied Rumanian Legation in Bern, Switzerland.

One of the outstanding organizations fighting for the cause of freedom is the League of Free Rumanians. This organization is comprised of Rumanian exiles who anxiously await the liberation of Rumania and the re-establishment of a democratic-parliamentary form of government in their homeland. The president of that organization, Mihail Farcasanu, has communicated with the president of the Swiss Confederation, concerning the case of the Rumanian patriots and the Bern incident, copy of which has come to my attention. I would like to quote a part of that letter because it expresses so well the motivation of those Rumanian patriots:

The true conflict expressed by the events in Bern is the conflict between the aggressor and their victim—the Rumanian people. This inexorable conflict has been ignored in the west for reasons of expediency. A puppet government has been recognized in Bucharest, a peace treaty has been concluded with it in 1947, although the west had ample proofs of its total subjugation to Moscow, of its nonrepresentative character and its totalitarian, inhuman methods. . . . The Rumanian people, seeing that all legitimate juridical means of defending their rights have been denied them, through their abandonment to Soviet rule, are making use of the means forced on them by the very slavery to which they have been reduced. It is extreme necessity (force majeure) which compels Rumanians to express their aspirations for freedom and claim their rights through de facto methods, through sabotage, and through active and passive resistance against the Soviet aggressor and his agents.

There is no paradox in asserting that it is through such means, extraneous to the existing order—which in regard to Rumania is an exploiting and tyrannical one—that the rights of the Rumanian people find their expression today. The incidents in Bern are due to the tragic situation in which the victims of tyranny are obliged to make use of their sacred right to resist oppression.

We declare that the free Rumanians are morally and solidly with every action which could help in the fight for restoring the liberties and rights of the Rumanian people. It would be a grave mistake to believe that this fight can be stopped. On the contrary it will grow in intensity and force until the liberation of the country.

In face of the tragedy besetting the subjugated peoples, the free world cannot avoid any longer the choice: Is the free world on the side of tyranny, or is the free world coming at the 11th hour to the side of those who fight and die for human liberty?

Mr. Speaker, I think that the most serious problem of our time rests on this question. Are we determined to make the cause of human freedom triumph, and through it, provide for our own security and the maintenance of international order? Are we clear concerning the steps which must be taken if we are to achieve such a victory?

There are some encouraging signs that the American people are becoming increasingly aware of the fact that there is no possibility of peaceful coexistence with the conspiracy of communism and that, should we attempt to make accommodations for the Communists, we will be doing little more than preparing the deathbed for our beloved Nation. There seems to be a growing feeling

that we have reached the point where we must reappraise the entire situation with respect to the international conspiracy of communism. Recently Sir Winston Churchill made a plea to the leaders of the West to take advantage of the few years we have left to preserve the civilization of which we are a part. It was his estimate that during the next 3 or 4 years the free world should retain an overwhelming superiority in hydrogen weapons, but that in 3 or 4 years time—and it could be less, the scene would be changed. He put before us the possibility of diplomacy by ultimatum as the likely method the Russians will use when they have reached a point of parity with us in nuclear weapons and ability to deliver them.

Three or 4 years is a very short time, but it is surely time enough for us to set in motion a positive political action program which, if properly managed, could prevent the Russians from attaining nuclear parity with us and could therefore shape the course of history.

It is for this reason that I take advantage of this sad anniversary to pay homage to the heroic Romanian people, and at the same time, to urge a renewed faith in America's destiny as the champion of the cause of human freedom. The desire for liberty boiling within the borders of the Russian Communist empire as well as the aspirations for freedom of the enslaved Chinese people, constitutes a political weapon of incalculable strength. We must take advantage of this political advantage while time permits.

INJUSTICE IN THE MUSIC BUSINESS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 30 minutes.

Mr. PHILBIN. Mr. Speaker, I recently had the high privilege and great pleasure of attending a luncheon at the National Press Club of Washington, which was attended by a distinguished group of American popular musical composers en route as a unit to entertain American troops in the European theater and other members of that great organization of geniuses and artists known as the American Society of Composers, Authors, and Publishers, generally known as ASCAP.

I understand that a similar gathering is assembled about every year by the inspired leadership of the National Press Club. This recent occasion was largely attended by many outstanding members of the press and distinguished guests from artistic circles, business, and public life.

After the luncheon, a succession of leading American composers, whose names are a byword in the Nation and the world, went to the platform and presented their personally composed selections for the great edification of the gathering. The reactions of the audience, which I had the opportunity to observe, impressed me very deeply. I could not help but think of the remark of Andrew Fletcher, the Scottish writer:

Give me the making of the songs of a nation, and I care not who makes its laws.

Each composer sang his own songs and, in the aggregate, the songs brought to mind in panorama the history of the past 30 years. As they were sung by these talented persons, it was as if the life story of many a person in the audience was being unrolled and vividly reenacted before his very eyes. I saw grizzled veterans of the press and of the political arena furtively wipe a tear from their eyes as the songs, one after another, led them through the span of their life from childhood to maturity, from the nursery to the Moulin Rouge and Okinawa.

The youngest successful songwriter was there too and he did his "stuff," which carries so much appeal to the younger generation. I would not attempt to evaluate the value of the contributions of this group throughout the years because there is no satisfactory measure, no norm which could furnish an accurate appraisal. The product of the songwriter is cultural, artistic, and spiritual. It cannot be appraised in terms of money or material things. It is of the spirit rather than the substance, but in net effect it exemplifies the spirit of America, the temper of our people, our way of life, our modes and customs, the very soul of our country.

In times past, as well as in the present, composers, writers, artists of all kinds have been exploited. There is probably less exploitation today of this class in this country than ever before, but nevertheless, the composers of popular songs are not free from ruthless human selfishness and greed, which sometimes most deplorably move individuals and groups in positions of economic power to take advantage of weaker and less privileged individuals and groups.

In the past this kind of exploitation of composers was notorious, ruthless, and pathetic. Take for example, the case of Stephen Foster, that great genius, who wrote songs in an earlier period of our history which are still standard pieces of our folk music known virtually to all Americans, who was shamefully exploited and paid only a pittance for some of his outstanding offerings and died penniless and impoverished. There are many other instances in the history of music of outstanding writers who were denied their just due for their creative work.

There is no reason for exploiting artistic talent at any time or under any circumstances and to the extent such practices exist today they must be deplored and they must be banished from our economic life. In fact, exploitation of any kind has no place in America.

The advent of the movies, of radio, of television have made great changes in the production, marketing, and use of popular music. Control over popular music over a period of time has come into the hands of a relatively few individuals in this country, who represent large financial interests. Although song writing is a creative activity that requires great talent and even genius, because of the practices of these powerful groups, in one sense, it has been converted into a coldly materialistic mass-production business.

Real worthy songs cannot be produced on such a basis because they emanate from the creative abilities and talents of the individual. Good songs cannot be mass produced like automobiles but, unfortunately, that is what is often now happening in this country. A few powerful individuals, who can decide whether or not a song is to be exploited and publicized are in a position to block the creative efforts of many worthy, talented composers.

The results are plain to one familiar with current American music, but in a realistic sense they could be no different than they are, because it will never be possible to create good music by the mere decree of so-called song dictators or moguls who sit in ivory towers in Tin Pan Alley or in Hollywood and send out orders to play only the songs of chosen favorite composers and to omit all others. Yet there is evidence even to the casual observer that that is just what is often happening and, of course, it accounts for the present relatively inferior quality of many current American popular songs because under this system worthwhile compositions possessing real merit are arbitrarily blocked, while prosaic, commonplace offerings are circulated under forced draft by arbitrary edict throughout the media of musical reproduction.

As a result true creative art is stultified, and mediocrity and banality are artificially cultivated and forced upon the American public. How long a suffering and afflicted public will endure these conditions is problematical but there is a widespread rebellion going on among the people against the type of popular music that is often being palmed off upon them. The pathetic fact in the situation is that those responsible for these conditions seem to be entirely unaware of the irreparable damage which their selfish practices are doing, not only to the great music industry, but to contemporary American creative art.

There are even worse features to this situation in that because of the operations of special cliques and special interests, highly successful, prominent songwriters and composers are daily being deprived of the fruits of their work.

Some years ago the Congress passed and later amended copyright laws to protect these talented people and insure them of just compensation for their creations. However, ways and means have been devised by clever lawyers and special interests by which, in effect, many songwriters are being shamelessly exploited. For example, it has been discovered that a section of the copyright act of 1909 does not permit composers and authors of musical works to receive any payment whatsoever on juke box performances although everyone else connected with the operation of these newer musical devices makes a profit on every playing.

Some unbelievable and unintended results flow from the operation of the present law. If a public restaurant, ice cream parlor, or tavern uses an ordinary phonograph played without inserting a coin, this is considered a public performance for profit and the composers may share in it. But if anyone in the

same establishment in order to play music, puts a coin in a jukebox, this is not considered a public performance for profit and the composers are excluded from sharing in such receipts.

Of course, no law can anticipate scientific and technological developments of the future and the copyright law of 1909 was no exception. No one at that time could possibly have conceived the huge development that has taken place through science, radio, television, and electronics and mechanical reproduction in the distribution of musical sound through such diverse media.

One unchallenged fact emerges from all these developments and that is that since the year 1934 or thereabout the jukebox industry has become practically a billion dollar enterprise, yet it is the only branch of the musical distribution business which is exempt from paying composers and authors for the profitable use of their products. Many have become enriched in this new industry, many are deriving huge profits from it, but the composers and authors who made and are making it possible for others to achieve great economic success are not getting one single penny as a result of its operations. While the statistics are not all embracing at present, and obviously do not cover a large part of this field, they clearly indicate a total gross revenue of more than \$450 million a year to the jukebox industry and this is admittedly an extremely conservative figure.

Such conditions constitute gross discrimination against composers, authors, and publisher, against the men and women whose great talents and abilities furnish so much pleasure and relaxation to the American public, yes, to people the world over, who are listening to American music in larger numbers every year. Popular music is one of the great bonds which link us to the free world and to Western civilization. Potentially this music, if properly directed and utilized in our foreign programs could well be a most powerful media by which we could reach the people in the enslaved world of the Soviet Union. From Paris to Calcutta, from Moscow to Capetown, from Belgrade to Peiping, American music is heard and sung and has an irresistible appeal to millions and millions of people. Everywhere people want to sing or hear American popular songs.

I want it clearly understood that I am not in any sense opposed to the jukebox business or jukebox operators. To the contrary, I believe that their particular medium is rendering a splendid public service to the American people and I commend the ingenuity and enterprise which members of this industry have exhibited in expanding its business and broadening the field in which music is used.

But I submit that in fairness, justice, and equity this and every other branch of the music industry, and other industries which utilize the products of creative art, should be prepared and willing to compensate those who, above all, have made their huge business enterprises and great financial success possible. The jukebox industry in its own interest, has a greater

stake in the steady flow of acceptable popular songs than the writers and composers. If, for any reason, the supply of attractive popular songs should cease or diminish the jukebox industry would be certainly one of the chief sufferers.

It is my understanding that the jukebox industry has up to this time refused to meet with representatives of the composers and authors to discuss the possibilities of equitable compensation for the use of the creative product of the composers and authors. It is my understanding that some members of our Congressional Judiciary Committees have in the past urged that all segments of the music industry meet and try to come to some agreement that would be fair and equitable to those who make musical reproduction possible. Various legalistic arguments have been advanced against this proposal which do not appear to go to the real merits of the controversy. It is well settled, however, in law and morals, that to use the property of another in order to make a profit without paying the owner of the property, or securing his permission, is unjust enrichment and wrongful. The present fee of 2 cents a record which inures to the publisher for the privilege of making a recording attaches to the manufacturing royalty only and is not in any sense a performance royalty. The public use of such a record for profit rightfully implies that the profit should be shared with those whose property is used to make the profit possible.

When one considers the decline in sheet music and other changes in the music business which have greatly reduced the income of the average composer it is manifest that in this day and age the composer's principal income must in many instances be derived from his royalty rights. It is unconscious that selfish, private interests should seek to deprive the composer of these rights and deny him a fair share of the proceeds derived from the use and exploitation of his own creative work. When it is further recognized that these proceeds annually run into millions and millions of dollars, yes, probably billions of dollars, it is all the more incredible and unjust to allow one class to reap enormous profits while another class, whose creative genius makes this result possible, is cut off without a penny.

We talk—and rightly so—about our great system of free private enterprise and the incentive it affords to American citizens and others living within our boundaries. Fundamentally, the theory behind this system is that each man shall receive the fruits of his labors, his industry, and his creative genius, and that no one shall be permitted to deny him of his justly due share of profits that are honestly derived as a consequence of his efforts or conceptions. That sound traditional American principle is grossly violated by present refusal to share profits with composers and publishers.

There are several bills pending in the Congress at present designed equitably to readjust the evils implicit in denying to composers and publishers the fruits of their work. These measures are based upon eliminating the special favors and

special privileges now attached to the operation of jukeboxes which unjustly deprive the creative artists of America of the merited rewards of their genius and industry. It is my opinion that the jukebox operators like every other group in the music industry and every other group utilizing the musical concepts of our composers should, as a matter of fairness and right, be willing to enter into conferences and negotiations designed to agree upon the shares accruing to various segments of the music world upon some equitable basis. If this cannot be done speedily and effectively, the Congress will have to take appropriate action to revise the present law; in fact, it is my opinion that this should be done in any event, in order to equalize obligations and require all parties concerned to comply with basic principles of copyright law which have been long followed in this country.

Notwithstanding any settlement that may be made in these matters, and regardless of any juke box bill so-called, that may be enacted by the Congress, it is a paramount obligation of the Congress to move speedily along a broad front to correct and to extirpate the manifest evils that have crept into the music industry over a period of years and which are so obviously discouraging incentive, impeding creative impulses and working serious injustice upon a group of talented people who, if they do not write the laws of America, write the great songs that inspire, relax and entertain our people and that are heard around the world.

The anti-monopoly statutes, the fair-trade and fair-practice laws now on the statute books provide substantial means for adjusting the evils of the music industry. The executive branch of the Government, upon whom responsibility rests for enforcing these laws could, of its own motion, take effective action to remove the shackles upon the composers and artists of America, clear away the barriers that are currently causing discouragement, blocking incentive and reducing the high standards of American musical artistry. So long as one man or a small group of men in Tin Pan Alley, in Hollywood or anywhere else shall be allowed to visit injustice upon the geniuses who compose our songs and give expression to the soul of America, these evils will exist.

Unless current evils and intolerable conditions in the music industry penalizing, discouraging, and exploiting the talented men and women who write our national songs are promptly dealt with, it is clear that Congress will have to act. I hope that all segments of this business will soon voluntarily enter into negotiations to bring about fair, equitable settlements of pending differences and banish existing evils and injustices.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. ENGLE and to include extraneous matter.

Mr. KLUCZYNSKI.

Mr. MACDONALD and to include extraneous matter.

Mr. PRIEST and to include extraneous matter.

Mr. CORBETT.

Mr. HAND and to include extraneous matter.

Mr. YOUNG (at the request of Mr. BENTLEY) and to include extraneous matter.

Mr. WESTLAND.

Mr. PILLION.

Mr. DIGGS.

Mr. ASHLEY and to include extraneous matter.

Mr. VAN ZANDT in two instances and to include extraneous matter.

Mr. O'KONSKI in two instances and to include extraneous matter.

Mr. JOHANSEN.

Mr. THOMPSON of New Jersey and to include extraneous matter.

Mr. ZELENGO.

Mr. JENKINS.

Mr. SHELLEY.

Mr. WOLVERTON on H. R. 4720 and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SMITH of Virginia (at the request of Mr. GARY), for the remainder of the week, on account of official business.

Mr. WICKERSHAM (at the request of Mr. RIVERS), for today and Friday, on account of official business.

Mr. CANFIELD (at the request of Mr. MARTIN), for an indefinite period, on account of illness.

Mr. DAVIS of Tennessee, for 1 week, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 456. An act relating to the regulation of nets in Alaska waters.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 941. An act to amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation; to the Committee on Agriculture.

S. 1051. An act to amend section 8a (4) of the Commodity Exchange Act, as amended; to the Committee on Agriculture.

ADJOURNMENT

Mrs. PFOST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until Monday, March 14, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

527. A letter from the United States Attorney, District of Columbia, Department of Justice, relative to a letter addressed to Hon. FRANCIS WALTER, chairman, Committee on Un-American Activities of the House of Representatives, relating to the case of Wilbur Lee Mahaney, Jr., cited for contempt of the House of Representatives by House Resolution 335, 83d Congress; to the Committee on Un-American Activities.

528. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year"; to the Committee on Armed Services.

529. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses, and for other purposes"; to the Committee on Government Operations.

530. A letter from the Assistant Comptroller General of the United States, transmitting a report on the audit of the Bureau of Indian Affairs, Department of the Interior, for the fiscal years ended June 30, 1952 and 1953, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

531. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard"; to the Committee on Interstate and Foreign Commerce.

532. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1955, pursuant to section 5 (e) of the Communications Act as amended July 16, 1952, by Public Law 554; to the Committee on Interstate and Foreign Commerce.

533. A letter from the Chairman, Federal Communications Commission, recommending enactment of legislation amending the Communications Act of 1934, as amended, "a bill to provide a small civil penalty for violation of the rules and regulations of the Commission applicable to all radio stations other than those in the broadcast services, and to further provide for remission or mitigation thereof by the Commission"; to the Committee on Interstate and Foreign Commerce.

534. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Miss Blanche Yersin, which will, when approved by the regional director, region No. 3, National Park Service, authorize her to provide lunches, refreshments, and a limited line of souvenirs at Lehman Caves National Monument, Nev., for a period of 3 years from January 1, 1955, pursuant to the act of July 31, 1953 (67 Stat. 271); to the Committee on Interior and Insular Affairs.

535. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible into the United States, pursuant to section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

536. A letter from the Commissioner, Immigration and Naturalization Service, De-

partment of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

537. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to section 212 (d) (6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

538. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "A bill relating to the payment of judgments by the Post Office Department"; to the Committee on Post Office and Civil Service.

539. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1955 in the amount of \$1,488,820 for the legislative branch (H. Doc. No. 105); to the Committee on Appropriations and ordered to be printed.

540. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955 in the amount of \$85,000 for the Federal Communications Commission (H. Doc. No. 106); to the Committee on Appropriations and ordered to be printed.

541. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Alaska Road Commission, Department of the Interior, for the fiscal year ended June 30, 1954, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

542. A letter from the assistant to the president, the American Academy of Arts and Letters, transmitting the official report of the American Academy of Arts and Letters for the year 1954, pursuant to the charter of the American Academy of Arts and Letters; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 8, 1955, the following resolution was reported on March 9, 1955:

Mr. COLMER: Committee on Rules. House Resolution 169. Resolution for consideration of H. R. 4720, a bill to provide incentives for members of the uniformed services by increasing certain pays and allowances; without amendment (Rept. No. 160). Referred to the House Calendar.

[Submitted March 10, 1955]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 3014. A bill to authorize personnel of the Armed Forces to train for, attend, and participate in the Second Pan-American Games, the Seventh Olympic Winter Games, Games of the XVI Olympiad, future Pan-American Games and Olympic Games, and certain other international amateur sports competitions, and for other purposes; with amendment (Rept. No. 196). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG: Joint Committee on the Disposition of Executive Papers. House Report No. 197. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LONG: Joint Committee on the Disposition of Executive Papers. House Report No. 198. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. FRAZIER: Committee on the Judiciary. House Joint Resolution 184. Joint resolution to designate the 1st day of May 1955 as Loyalty Day; without amendment (Rept. No. 199). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 3560. A bill to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes; without amendment (Rept. No. 200). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 4367. A bill to provide for the distribution of funds belonging to the members of the Creek Nation of Indians, and for other purposes; without amendment (Rept. No. 201). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 3338. A bill to amend section 1 of the act of March 12, 1914; with amendment (Rept. No. 202). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 12. A bill to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities; with amendment (Rept. No. 203). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1142. A bill for the relief of Capt. Moses M. Rudy; with amendment (Rept. No. 161). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1719. A bill for the relief of William V. Dobbins; without amendment (Rept. No. 162). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2284. A bill for the relief of Maj. Robert D. Lauer; without amendment (Rept. No. 163). Referred to the Committee of the Whole House.

Mr. REED of Illinois: Committee on the Judiciary. H. R. 3271. A bill for the relief of John Lloyd Smelcer; with amendment (Rept. No. 164). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3361. A bill for the relief of Joe Kawakami; without amendment (Rept. No. 165). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3362. A bill for the relief of G. F. Allen, deceased, former chief disbursing officer, Treasury Department, and for other purposes; without amendment (Rept. No. 166). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3363. A bill for the relief of Rodolfo C. Delgado, Jesus M. Laguna, and Vicente D. Reynante; without amendment (Rept. No. 167). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3364. A bill for the relief of Ernest W. Berry, Alaska Native Service schoolteacher; without amendment (Rept. No. 168). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3365. A bill for the relief of Robert Burns DeWitt; without amendment (Rept. No. 169). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3366. A bill for the relief of Mary J. McDougall; without amendment (Rept. No. 170). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3367. A bill for the relief of Col. Walter E. Ahearn and others; without amendment (Rept. No. 171). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3639. A bill for the relief of Ralph Bennett and certain other employees of the Bureau of Indian Affairs; without amendment (Rept. No. 172). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4044. A bill for the relief of Bursal Lyden and others; without amendment (Rept. No. 173). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. House Joint Resolution 211. Joint resolution to confer jurisdiction on the Attorney General to determine the eligibility of certain aliens to benefit under section 6 of the Refugee Relief Act of 1953, as amended; with amendment (Rept. No. 174). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 872. A bill for the relief of Mrs. Concetta Saccatti Salliani; without amendment (Rept. No. 175). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 886. A bill for the relief of Mrs. Mounira E. Medlej; without amendment (Rept. No. 176). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 888. A bill for the relief of Mrs. Elsa Danes; without amendment (Rept. No. 177). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 890. A bill for the relief of Eliseo Felix Hernandez; without amendment (Rept. No. 178). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 891. A bill for the relief of Alberto Cortez Cortez; with amendment (Rept. No. 179). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 911. A bill for the relief of Gloria Minoza Medellin; without amendment (Rept. No. 180). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 913. A bill for the relief of Hildegard Noble; without amendment (Rept. No. 181). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 921. A bill for the relief of Chia-Tseng Chen; without amendment (Rept. No. 182). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 924. A bill for the relief of Joseph Marrali; without amendment (Rept. No. 183). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1081. A bill for the relief of Anna Tokatlian Gulezian; with amendment (Rept. No. 184). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1163. A bill for the relief of Lee Houn and Lily Ho Lee Houn; without amendment (Rept. No. 185). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1165. A bill for the relief of Maria Theresia Reinhardt and her child, Maria Anastasia Reinhardt; with amendment (Rept. No. 186). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1166. A bill for the relief of Florence Meister; without amendment (Rept. No. 187). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1656. A bill for the relief of Chen Chih-Keui; without amendment (Rept. No. 188). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1660. A bill for the relief of Wen-centy Peter Winlarski; without amendment (Rept. No. 189). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1672. A bill for the relief of Ernest Ludwig Bamford and Mrs. Nadine Bamford; without amendment (Rept. No. 190). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1961. A bill for the relief of Miss Martha Kantelberg; without amendment (Rept. No. 191). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2261. A bill for the relief of Giuseppe Carollo; with amendment (Rept. No. 192). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 2276. A bill for the relief of Vida Kosnik; with amendment (Rept. No. 193). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2361. A bill for the relief of Elizabeth Ann Giampietro; without amendment (Rept. No. 194). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 3020. A bill for the relief of Buonaventura Giannone; with amendment (Rept. No. 195). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 4776. A bill to provide additional compensation for members of the uniformed services during certain periods of combat duty; to the Committee on Armed Services.

By Mr. ABERNETHY:

H. R. 4777. A bill to provide for jury trials in condemnation proceedings in United States district courts; to the Committee on the Judiciary.

By Mr. ALEXANDER:

H. R. 4778. A bill to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department, contractors with the Post Office Department, mail clerks of the Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ASHLEY:

H. R. 4779. A bill to authorize construction of certain flood-control improvements on Lake Erie; to the Committee on Public Works.

H. R. 4780. A bill declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government; to the Committee on Public Works.

By Mr. BARTLETT:

H. R. 4781. A bill to authorize the Territory of Alaska to incur indebtedness, and

for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H. R. 4782. A bill to change the name of the Fort Randall Reservoir in the State of South Dakota to Lake Evans; to the Committee on Public Works.

H. R. 4783. A bill to authorize the execution of mortgages and deeds of trust on individual Indian trust or restricted land; to the Committee on Interior and Insular Affairs.

By Mrs. BLITCH:

H. R. 4784. A bill to amend the Tariff Act of 1930 to provide a revised rate of duty on jute backing for tufted rugs and carpets; to the Committee on Ways and Means.

By Mr. BOYLE:

H. R. 4785. A bill to require the Secretary of Health, Education, and Welfare to fix a minimum standard of 3.5 percent butterfat for whole milk; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS of Louisiana:

H. R. 4786. A bill to define service as a member of the Women's Army Auxiliary Corps as active military service under certain conditions; to the Committee on Armed Services.

By Mr. BROYHILL:

H. R. 4787. A bill to create a Committee on Railroad Retirement Policy; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCKLEY:

H. R. 4788. A bill to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes; to the Committee on Public Works.

H. R. 4789. A bill to provide for the construction of certain Government buildings in the District of Columbia; to the Committee on Public Works.

By Mr. BURNSIDE:

H. R. 4790. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the control of juvenile delinquency; to the Committee on Education and Labor.

By Mr. CELLER:

H. R. 4791. A bill to amend section 40 of the Bankruptcy Act, so as to increase salaries for part-time and full-time referees; to the Committee on the Judiciary.

H. R. 4792. A bill to amend section 372 of title 28, United States Code; to the Committee on the Judiciary.

By Mr. DAVIS of Tennessee:

H. R. 4793. A bill to provide tax equity through the taxation of cooperative corporations and to provide tax credits for recipients of dividends from genuine cooperatives; to the Committee on Ways and Means.

By Mr. DENTON:

H. R. 4794. A bill to increase the annual income limitations governing the payment of pensions for permanently and totally disabled wartime veterans, and for the widows and children of veterans of World War I, World War II, and the Korean conflict; to the Committee on Veterans' Affairs.

H. R. 4795. A bill to amend the Internal Revenue Code of 1954 to relieve farmers from the excise tax on gasoline which is used to operate or propel farm equipment; to the Committee on Ways and Means.

H. R. 4796. A bill to provide that the Secretary of the Army shall review the reports on Pigeon Creek, Ind.; to the Committee on Public Works.

By Mr. DIGGS:

H. R. 4797. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

H. R. 4798. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to \$1.25; to the Committee on Education and Labor.

By Mr. DODD:

H. R. 4799. A bill to require that any vacancies or absences in the membership of the Supreme Court shall be temporarily filled by circuit judges in order that all decisions of the Supreme Court shall be participated in by a full Court; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 4800. A bill to amend title II of the Social Security Act to provide that old-age and other monthly insurance benefits shall be payable at age 60 in lieu of at age 65, and for other purposes; to the Committee on Ways and Means.

By Mr. HALE:

H. R. 4801. A bill to authorize the appointment of Reserve midshipmen in the United States Navy, and for other purposes; to the Committee on Armed Services.

By Mr. HALEY:

H. R. 4802. A bill to authorize the execution of mortgages and deeds of trust on individual Indian trust or restricted land; to the Committee on Interior and Insular Affairs.

By Mr. HAYS of Ohio:

H. R. 4803. A bill to amend the Social Security Act to reduce for purposes of old-age and survivors' insurance benefits, the age requirement from age 65 to 60; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 4804. A bill to amend the Internal Revenue Code to authorize the refund of manufacturers' excise taxes paid on gasoline used exclusively for nonhighway purposes; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H. R. 4805. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 4806. A bill to authorize Federal participation in the cost of protecting the shores of privately owned real property as well as the shores of publicly owned real property; to the Committee on Public Works.

By Mr. KELLEY of Pennsylvania:

H. R. 4807. A bill to amend title II of the Social Security Act to reduce from 65 to 60 the age at which old-age and other monthly insurance benefits may become payable thereunder; to the Committee on Ways and Means.

By Mr. KILGORE:

H. R. 4808. A bill to provide for transmission through the mail of keys and identification cards; to the Committee on Post Office and Civil Service.

H. R. 4809. A bill to provide that one floating ocean station shall be maintained at all times in the Gulf of Mexico to provide storm warnings for States bordering on the Gulf of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. LANE:

H. R. 4810. A bill to credit to active and retired officers of the Medical Department of the Army all service performed as interns in Army hospitals on a civilian-employee status; to the Committee on Armed Services.

By Mr. LONG:

H. R. 4811. A bill to provide that the Housing and Home Finance Administrator shall convey to the State of Louisiana all right, title, and interest of the United States in and to certain land (together with any improvements thereon) located in the Parish of Rapides, La.; to the Committee on Banking and Currency.

By Mr. MACDONALD:

H. R. 4812. A bill to provide for the issuance of a special postage stamp in honor of the memory of Amelia Earhart; to the Committee on Post Office and Civil Service.

By Mr. MAILLIARD:

H. R. 4813. A bill relating to the Federal estate and gift tax treatment of bequests

and gifts to certain hospitals; to the Committee on Ways and Means.

By Mr. MILLER of Maryland:

H. R. 4814. A bill to amend section 315 of the Communications Act of 1934 so as to prohibit liability from being imposed upon a licensee because of defamatory statements made in a broadcast by a political candidate unless such licensee participates in such broadcast with intent to defame; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of New York:

H. R. 4815. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946; to the Committee on Public Works.

By Mr. MURRAY of Illinois:

H. R. 4816. A bill to provide exemptions to taxpayers who support aged dependents; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee:

H. R. 4817. A bill relating to the payment of money orders; to the Committee on Post Office and Civil Service.

By Mr. O'KONSKI:

H. R. 4818. A bill to amend the National Labor Relations Act, as amended, and for other purposes; to the Committee on Education and Labor.

H. R. 4819. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. REES of Kansas:

H. R. 4820. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government; to authorize the President to establish the maximum number of positions under section 505 of the Classification Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SADLAK:

H. R. 4821. A bill to amend section 23 (k) (4) of the Internal Revenue Code of 1939 (relating to the definition of "nonbusiness debt"); to the Committee on Ways and Means.

By Mr. SHELLEY:

H. R. 4822. A bill relating to the Federal estate and gift tax treatment of bequests and gifts to certain hospitals; to the Committee on Ways and Means.

By Mr. VANIK:

H. R. 4823. A bill to repeal those provisions of the Internal Revenue Code of 1954 which give tax preference to individuals who receive dividends; to the Committee on Ways and Means.

By Mr. WALTER:

H. R. 4824. A bill to define the application of the Clayton and Federal Trade Commission Acts to certain pricing practices; to the Committee on the Judiciary.

By Mr. WESTLAND:

H. R. 4825. A bill to amend title II of the Social Security Act to provide that a widow who loses her widow's benefit by remarriage may again become entitled to such benefit if her husband dies within 1 year after such remarriage; to the Committee on Ways and Means.

By Mr. WITHROW:

H. R. 4826. A bill to amend the Labor Management Relations Act, 1947, and for other purposes; to the Committee on Education and Labor.

H. R. 4827. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. WOLVERTON:

H. R. 4828. A bill to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H. R. 4829. A bill to amend the Labor Management Relations Act, 1947, and for other

purposes; to the Committee on Education and Labor.

H. R. 4830. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. ZELENIKO:

H. R. 4831. A bill to amend the Federal Employers' Liability Act; to the Committee on the Judiciary.

H. R. 4832. A bill to amend the Safety Appliance Acts to provide increased safety for employees and travelers upon railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY:

H. R. 4833. A bill to amend the United States Cotton Standards Act and for other purposes; to the Committee on Agriculture.

By Mr. BYRD:

H. R. 4834. A bill to amend the Social Security Act to provide disability insurance benefits for totally disabled individuals; to the Committee on Ways and Means.

By Mr. COLE:

H. R. 4835. A bill to provide for a refund or credit for tax on gasoline used or resold for certain farm equipment; to the Committee on Ways and Means.

By Mr. DORN of South Carolina (by request):

H. R. 4836. A bill to provide that membership in the Fascist Party of Italy shall not of itself cause forfeiture of benefits under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H. R. 4837. A bill to amend Veterans Regulation No. 9 (a), as amended, to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans; to the Committee on Veterans' Affairs.

H. R. 4838. A bill to increase the income limitations governing payment of non-service-connected pension; to the Committee on Veterans' Affairs.

H. R. 4839. A bill to increase the rates of compensation payable to disabled veterans; to the Committee on Veterans' Affairs.

H. R. 4840. A bill to provide pension for widows and children of deceased veterans of World War II, or of service on and after June 27, 1950, on the same basis as pension is provided for widows and children of deceased veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. MORRISON:

H. R. 4841. A bill to authorize the Administrator of General Services to dispose of certain real property in the District of Columbia; to the Committee on Public Works.

By Mr. REUSS:

H. R. 4842. A bill to amend the Internal Revenue Code of 1954 to reduce the amount of income tax payable in the case of an individual 65 years of age or over who sells his home and does not acquire a new one; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 4843. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H. R. 4844. A bill to amend the Labor Management Relations Act, 1947, and for other purposes; to the Committee on Education and Labor.

By Mr. SPENCE:

H. R. 4845. A bill to authorize the issuance of a special stamp commemorative of the 125th anniversary of the establishment of savings and loan associations in America; to the Committee on Post Office and Civil Service.

By Mr. WHARTON:

H. R. 4846. A bill to amend the Internal Revenue Code of 1954 to relieve farmers from the excise tax on gasoline and lubricating oils used exclusively in farm tractors or farm machinery or for other agricultural purposes; to the Committee on Ways and Means.

By Mr. WILSON of Indiana:

H. R. 4847. A bill to prevent discrimination against fiscal year taxpayers with respect to depletion allowance; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 4848. A bill to provide for strengthening of the Reserve Forces, and for other purposes; to the Committee on Armed Services.

By Mr. DENTON:

H. J. Res. 249. Joint resolution placing certain individuals who served in the Armed Forces of the United States in the Moro Province, including Mindanao, and in the islands of Leyte and Samar after July 4, 1902, and their survivors, in the same status as those who served in the Armed Forces during the Philippine Insurrection and their survivors; to the Committee on Veterans' Affairs.

By Mr. BURLERSON:

H. J. Res. 250. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical or mechanical office equipment for the use of Members, officers, and committees of the House of Representatives; to the Committee on House Administration.

By Mr. PATMAN:

H. Res. 170. Resolution to declare that the House of Representatives does not favor sale of the facilities as recommended in the report of the Rubber Producing Facilities Disposal Commission submitted to the Congress on January 24, 1955; to the Committee on Armed Services.

By Mr. DOYLE:

H. Res. 171. Resolution to disapprove proposed sale to Shell Oil Co. of certain synthetic rubber facilities as recommended by the Rubber Disposal Commission report; to the Committee on Armed Services.

By Mr. FOGARTY:

H. Res. 172. Resolution authorizing the creation of a Select Committee on Problems of the Aging; to the Committee on Rules.

By Mr. SILER:

H. Res. 173. Resolution authorizing an investigation and study of the factors involved in the discharge of Warden Foster Asher from his position as a civil engineer draftsman by the United States Navy; to the Committee on Rules.

By Mr. BURLERSON:

H. Res. 174. Resolution amending the Rules of the House of Representatives to increase the pay of witnesses; to the Committee on Rules.

By Mr. WIDNALL:

H. Res. 175. Resolution favoring a reduction of armaments with a view to improving world living standards; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. UDALL: House joint memorial No. 1, 22d Legislature of the State of Arizona, relating to timberland in the Coconino and Sitgreaves National Forest in Arizona; to the Committee on Agriculture.

Also, House joint memorial No. 5, 22d Legislature of the State of Arizona relative to the establishment of a national cemetery in Arizona; to the Committee on Interior and Insular Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to commending the Forest Service and its employees on their golden anniversary for a job well done, both in natural-resource development and progressive citizenship; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of West Virginia, memorializing the

President and the Congress of the United States to protect the coal industry and the economic status of the employees therein by restricting the importation of foreign residual oil; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H. R. 4849. A bill for the relief of Carl T. Bruell; to the Committee on the Judiciary.

H. R. 4850. A bill for the relief of Frank Thomas Race (formerly Racz); to the Committee on the Judiciary.

H. R. 4851. A bill for the relief of the Kelmoor Fox & Fur Farm; to the Committee on the Judiciary.

By Mr. BARRETT:

H. R. 4852. A bill for the relief of Joseph Gangemi and Anthony Gangemi; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 4853. A bill to authorize the sale of certain land in Alaska to the Pacific Northern Timber Co.; to the Committee on Interior and Insular Affairs.

By Mr. BATES:

H. R. 4854. A bill for the relief of Johanna Rampitsch; to the Committee on the Judiciary.

By Mr. BROYHILL (by request):

H. R. 4855. A bill for the relief of Giuseppe Castrogiovanni, his wife Anna Castrogiovanni, and their minor child Stefano Castrogiovanni; to the Committee on the Judiciary.

H. R. 4856. A bill for the relief of Chai Ho Min; to the Committee on the Judiciary.

By Mr. DAVIDSON:

H. R. 4857. A bill for the relief of Herman Sharma and Gertrude Sharma; to the Committee on the Judiciary.

H. R. 4858. A bill for the relief of David Dembitzer; to the Committee on the Judiciary.

H. R. 4859. A bill for the relief of Luis Fuentes (Luis Fuentes Millares); to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 4860. A bill for the relief of Mrs. Amy Kananof; to the Committee on the Judiciary.

By Mr. FASCELL (by request):

H. R. 4861. A bill for the relief of Sven Antonius Steffner; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H. R. 4862. A bill for the relief of Argyro Apostolou Tripodis; to the Committee on the Judiciary.

H. R. 4863. A bill for the relief of Stanley Bronius Mazintas; to the Committee on the Judiciary.

By Mr. GORDON:

H. R. 4864. A bill to grant permanent residence in the United States to Spyridon V. Karavitis; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 4865. A bill for the relief of Stanley Rydzon and Alexander F. Anderson; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 4866. A bill for the relief of Viviane Lucienne Therese Felicie Renee Vennin Carter (Mrs. Billy Ray Carter); to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. R. 4867. A bill for the relief of Helmut S. Heyl; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 4868. A bill for the relief of Herbert Otto Koch; to the Committee on the Judiciary.

H. R. 4869. A bill for the relief of Vincent Pecoraro; to the Committee on the Judiciary.

H. R. 4870. A bill for the relief of Antonio Colantonio; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 4871. A bill for the relief of Athanasios Theodore Stathopoulos; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 4872. A bill for the relief of Mrs. Helen Barsa; to the Committee on the Judiciary.

By Mr. RIVERS:

H. R. 4873. A bill for the relief of Lt. Comdr. Mortimer T. Clement, Medical Corps, United States Navy, retired; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 4874. A bill for the relief of Andrea Falla; to the Committee on the Judiciary.

By Mr. SPRINGER:

H. R. 4875. A bill for the relief of Audrey Jean Youkers; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. J. Res. 251. Joint resolution to authorize the President to issue posthumously to the late Seymour Richard Belinky, a flight officer in the United States Army, a commission as second lieutenant, United States Army, and for other purposes; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

143. By Mr. HAYS of Arkansas: Petition of the Pope County Arkansas Soil Conservation District urging full cooperation for the planning and efforts to carry out a 5-year program of soil and water conservation; to the Committee on Agriculture.

144. By Mr. YOUNG: Petition of the Legislative Assembly of the State of Nevada, requesting the Congress to appropriate funds for the planning and construction of Pine Canyon and Matthews Canyon Dams; to the Committee on Appropriations.

145. Also, petition of the Legislative Assembly of the State of Nevada, requesting the Congress to enact legislation and appropriate funds for Federal aid to university students engaged in the universal military training program; to the Committee on Armed Services.

146. Also, petition of the Legislative Assembly of the State of Nevada, requesting the President and the Congress to halt American aid to foreign countries which divert such aid to Russia and her satellites; to the Committee on Foreign Affairs.

147. Also, petition of the Legislative Assembly of the State of Nevada, requesting the Congress to extend to the Territory of Alaska full status of a State of the United States with full representation in Congress; to the Committee on Interior and Insular Affairs.

148. Also, petition of the Legislative Assembly of the State of Nevada, requesting the Congress to extend to the Territory of Hawaii full status of a State of the United States with full representation in Congress; to the Committee on Interior and Insular Affairs.

149. Also, petition of the Legislative Assembly of the State of Nevada, requesting Congress and the Department of the Interior to give attention to the development of Lehman Caves National Monument; to the Committee on Interior and Insular Affairs.

150. Also, petition of the Legislative Assembly of the State of Nevada, requesting the Congress and Federal officers to encourage, by legislation and otherwise, the economy of the domestic mining industry; to the Committee on Interior and Insular Affairs.

151. By the SPEAKER: Petition of the secretary, Association of Southern Agricultural Workers, forestry section, Jackson, Miss., petitioning consideration of their resolution with reference to recommending that additional funds be made available to State agricultural experiment stations within the

southern division for marketing research on forest products; to the Committee on Appropriations.

152. Also, petition of the president, Lithuanian American Council, Rockford, Ill., petitioning consideration of their resolution with reference to expressing gratitude to the United States for its favorable attitude to-

ward the eventual restoration of the independence of Lithuania, etc.; to the Committee on Foreign Affairs.

153. Also, petition of Brabenic Oldrich, Covina, Calif., relative to a drawing and description of an invention called the compound engine; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Three Hundred Years of Jews in America

EXTENSION OF REMARKS

OF

HON. T. MILLET HAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. HAND. Mr. Speaker, with the consent of the House, I include in the CONGRESSIONAL RECORD an address which I was privileged to make to the Jewish community of the city of Wildwood, N. J., and their friends and neighbors, on February 28, 1955, celebrating the completion of three centuries of the participation of the Jewish people in our national life:

THREE HUNDRED YEARS OF JEWS IN AMERICA

It is always an honor to be called upon to speak before a substantial congregation of your fellow citizens, because I think that the invitation must imply that you expect, or at least hope, that the speaker will have something of merit to say to you. I trust that in this instance you will not be too disappointed. In this case, however, I feel a particular sense of honor and responsibility that you should have selected a non-Jew to speak to you on an occasion which is not only essentially a Jewish one, but one which is very close to your hearts, and which in a sense is a huge family celebration. I take this to mean a recognition that you and I, with all of our differences of race and creed and background and past cultures, are nevertheless one in our viewpoint of what makes a great society and a good life; that you and I are one in our Americanism, and in our intense pride in being Americans.

I like to think too that I am honored partly because of your appreciation for the small but sincere and continuous efforts that I have made over a period of many years in behalf of the Palestine homeland, and finally in behalf of the creation of the State of Israel. It can be truly said that Israel exists as the results of the devoted work and support of the American Jewish Community, and of the consistent support of the Congress of the United States. I think we can both take great pride in our work, and have great hopes for the future of this State, which is at once both spiritually and materially of the greatest significance.

We are here tonight to celebrate the Tercentenary of Jews in America. It is surprising how few people realize that Jews have been a substantial part of our history from the very beginning. A great many people associate the incorporation of the Jews into American society as beginning after the great pogroms in Russia at about 1880, and it is true that there was a huge influx of eastern Europeans at that time, but centuries before that, your people had identified themselves with the very beginning of what was to become the United States. It is true beyond a doubt that Jewish merchants and Jewish adventurers were associated with the first

voyage of Christopher Columbus to the New World, assisted in the financing of those voyages, and were actually aboard. There were records of Jews in North America in 1621, which was within 1 year of the landing of the Pilgrim Fathers. About the first Jewish group to settle permanently in North America, apparently landed at New Amsterdam (now New York) in 1654, and thus you are well within historical limits in marking your 300th birthday.

You came for the same reason that the Pilgrims came; to achieve religious and political freedom. And while America, from the beginning, was heavenly in contrast with the Old World, progress toward acceptance was slow. Governor Stuyvesant was unfriendly, as indeed he was to Lutherans and "Papists" and it was 30-odd years before any measure of rights were won. Restrictions were not removed until 1785 in Virginia, 1816 in Maryland, and as late as 1868 in North Carolina. The first prayer by a rabbi was uttered in the House of Representatives on February 1, 1860. The first Jewish chaplain was appointed in the United States Army during the Civil War.

It is a strange paradox of history that some of our ancestors, who came here for their liberties, were unwilling to grant it to others who did not conform to their views. Thus Protestants were as unwelcome in Maryland as Catholics were in parts of New England.

Too many people, even now, are for freedom of speech only so long as what you say pleases them. Too few, even now, really believe with Voltaire, who said: "I disagree with all that you say, but I will fight to the end for your right to say it."

But there were giants in the land, too, and one of them was Roger Williams. The tiny province of Rhode Island, under his liberal influence, provided that "all men whatever nation soever they may be, that shall be received inhabitants of any of the towns, shall have the same privileges as Englishmen, any law to the contrary notwithstanding."

With the climate of freedom thus provided, one of the earliest settlements was Newport, R. I., where a congregation was established in 1658. It was to the Hebrew congregation there that, in 1790, George Washington wrote in part:

"The citizens of the United States of America have a right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of imitation. All possess alike liberty of conscience and immunities of citizenship. It is now, no more, that toleration is spoken of as if it was by the indulgence of one class of people that another enjoyed the exercise of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection should demean themselves as good citizens, in giving it on all occasions their effectual support."

Remember these glorious words, "The United States, which gives to bigotry no sanction, to persecution no assistance."

The fact that you were here from our beginnings is not important, but your full

participation in our development is important. It is safe to say that as high a percentage of Jews backed the movement for independence as did the English. There were only 2,000 Jews in the Colonies at the time of the Revolution. Most of them backed General Washington. At least one of them, Haym Solomon, was necessary to its success. A man of great wealth, he impoverished himself in behalf of the patriots' cause.

The pattern set by the Revolution has been followed in all our wars, the Jewish people serving their country valiantly and well.

And so, in peace, they have helped to weave the strong social fabric of America, both in the humanities and in commerce.

Abraham Duker says: "Jews pioneered in philanthropy, initiating through federations, the Community Chest movement, and introducing free loans, cooperative credit, visiting housekeepers, settlement work and visiting nurse services. Jewish workers pioneered in trade unionism, in unemployment insurance, cooperative housing, labor banking, medical care and recreational facilities for workers, with names like Samuel Gompers and Sidney Hillman among the outstanding labor leaders. Together with Jewish industrialists they often set the pattern of arbitration and peaceful settlement of disputes."

"In commerce and industry, they are best known for pioneering in the garment, motion picture and plastic industries, and for activities in the publishing field. They have been particularly active in the sciences, scholarship, and medicine. Like Americans of other faiths, Jews have also been prominent, and frequently made notable contributions, in all three branches of government."

Enemies of your race view with alarm your great influence in the fields of public opinion. But you can point with pride to their conduct. Who can say that the National Broadcasting Co., headed by David Sarnoff, or the Columbia Broadcasting Co., largely Jewish controlled, are not wholly American in their outlook? Who will argue that the Jewish-owned New York Times is not, by and large, the world's greatest newspaper, or that its columns reflect bias or prejudice?

But the activities of the Jewish people in the business world can be overemphasized. You have made preeminent contributions to your country in the world of literature, music, and the arts. Louis Untermeyer, the poet; Edna Ferber and Fannie Hurst, the novelists; David Belasco in the theater; Elman and Menuhin in music; Isadore Baline, if you please (whom all Americans love as Irving Berlin), come to mind amongst literally hundreds and thousands of others who have brought culture and pleasure to our millions.

In the field of enlightened capital, shall we mention the Kuhns, the Strausses, the Guggenheims; in the field of labor leadership, Sam Gompers, who for 40 years, was the American Federation of Labor.

And because the Jewish people have loved their country and wish to serve it, they have given us a dozen Senators, 50 or more Representatives, and other great public servants, of which Bernard Baruch, Eugene Meyer and Henry Morgenthau are but a few. Because of their love of law and order, justice and

freedom, they have given us Brandeis and Cardoza.

But I labor the point. It is even more important that the everyday lives of the families of the 5 million Jews in America can and do teach us lessons in self-reliance, in law and order, in culture and decency, and good living.

And so you have won, and deserved to win, a full measure of acceptance in this great society which is America, but you and all of us must continue to guard our inalienable rights, remembering that to secure them is the highest purpose of government; remembering too that 2,500 years ago Solon said: "That is the most perfect government under which a wrong to the humblest is an affront to all."

Again quoting the Father of his Country in his letter to Newport congregation:

"May the children of the stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid. May the Father of all mercies scatter light and not darkness in our paths, and make us all in our several vocations useful here, and in his own due time and way everlastingly happy."

I again thank you for the privilege of participating with you tonight on this memorable occasion and I express to you my everlasting gratitude for the good citizenship award which you have so graciously given me.

The Great Contribution of the Irish People to America

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. ZELENKO. Mr. Speaker, with the advent of St. Patrick's Day, I deem it appropriate to speak on the great contribution of the Irish people to America.

Many people believe that there were only a few Irish in America at the time of the Revolutionary War and that no considerable portion of them arrived until around the middle of the last century. However, the facts disprove this statement. In Pennsylvania, for example, there is evidence to show that an important Irish colony came over with William Penn in 1682. Penn was well acquainted with the Irish people for he lived many years at Kinsale, County Cork, as manager of his father's estate. When he first came to America he brought with him a number of Irish people from Cork and Wexford. Seventeen years later, on one of his return voyages, he brought with him a brilliant young Irishman, James Logan, of County Armagh, who later became Chief Justice of the provincial courts. In 1723 a considerable number of Irish people located in Dauphin, and in the next year Irish settlements were established west of the Susquehanna River, what is now York County. In 1728, 5,600 Irish arrived in Philadelphia.

It looks as if Ireland is to send all her inhabitants hither—

Wrote Secretary Logan in 1729—

for last week not less than 6 ships arrived. The common fear is that if they continue to come they will make themselves proprietors of the Province.

When the British Government started to suppress the American Colonists, the Irish unanimously gave their support to the Colonists for two reasons: the first was the inherent love of liberty which ever dwells in an Irishman's heart and his sympathy for all people struggling against political inequality; the other was the bitter heritage of struggle with the British Empire which heritage they brought with them to America, and which was transmitted with undiminished fervor to their descendants. It was easy to show that the power which had trampled upon the affections of their fathers and tyrannized over their rights in the Old World was aiming at the same object in the case of their children in the New. Only one generation removed from the exiled and suffering generation the sons had as lively recollections of the tyrannies of Britain as if the experience had been immediately their own.

Three native-born Irish—Smith, Taylor, and Thornton, were signers of the Declaration of Independence, as were six descendants of Irish—Carroll, McKean, Read, Lynch, Paine, and Rutledge.

Washington had a high regard for the Irish people and the records show that he had many of them as friends and associates. In 1748, when surveying land for Lord Fairfax, his journal shows that several Irishmen accompanied him—he mentioned among them Patrick Rice, Patrick Matthews, James McCormick, and Timothy McCarthy. Many of the Irish officers of the Army and Navy of the Revolution enjoyed his friendship and esteem. On March 4, 1776, he appointed Colonel Stephen Moylan his aide and private secretary. Moylan was born in County Cork and was a brother of the Catholic Bishop of that diocese. When Colonel Moylan was promoted to the command of the Fourth Pennsylvania Dragoons, Washington appointed Colonel John Fitzgerald, a native of Wicklow, as his aide. Fitzgerald's successor in the office of aide to Washington was Major James McHenry, a native of Antrim. A later secretary to General Washington was Colonel Joseph Reed "The Incorruptible," whose parents were from Dublin. At Cambridge on March 16, 1776, Washington selected "St. Patrick" as the password and he named General John Sullivan as officer of the day. At Valley Forge on St. Patrick's Day, 1778, General Washington directed "that all the Army keep the day" and on March 16, 1780, in his general orders he directed "that all fatigue and working parties cease for tomorrow, the 17th, a day held in particular regard by the people of the Irish Nation." On December 18, 1781, Washington attended a banquet of the Friendly Sons of St. Patrick in Philadelphia and was then "adopted a member of the society." On the same day he wrote the president of

the society accepting "with singular pleasure the gold badge of membership in so worthy a fraternity as that of the Sons of St. Patrick in this city, a society distinguished for the firm adherence of its members to the glorious cause in which we are embarked."

The Friendly Sons of St. Patrick of Philadelphia contributed approximately \$500,000 to the cause of the colonists and from its own members supplied the Colonial Armies with 11 generals: Stephen Moylan, Edward Hand, William Maxwell, William Thompson, Griffith Rutherford, John Patton, Anthony Wayne, Walter Stewart, Richard Butler, William Irvine, and John Shee.

One of the most brilliant generals in the Revolutionary War was Gen. Anthony Wayne, born at Waynesboro, Pa. His father and grandfather were born in Ireland. Wayne was an active member of the Friendly Sons of St. Patrick of Philadelphia, and was also a member of the Hibernian Society of Philadelphia. He was commander of one of the most effective fighting arms of the Revolutionary forces known as the Pennsylvania Line. Gen. Henry Lee, afterward Governor of Virginia, in his *Memoirs of the War in the Southern Department*, makes the following reference to General Wayne and the Pennsylvania Line:

Wayne had a constitutional attachment to the decision of the sword and this cast of character had acquired strength from indulgence as well as from the native temper of the troops he commanded. They were by the designation of the Line of Pennsylvania whereas they might have been, with more propriety, called the Line of Ireland.

The muster roll of the Pennsylvania Line, as shown by the archives of Pennsylvania, reads like the registry of a parish in Ireland as, for instance, the muster roll of the 7th Regiment company commanded by Capt. John McDowell, shows 76 percent natives of Ireland; the company commanded by Capt. Jeremiah Talbot, 70 percent; Capt. Samuel Montgomery, 69 percent.

When Washington evacuated Long Island on August 30, 1776, he personally selected 4 regiments of the Pennsylvania Line and 1 from Maryland to cover the retreat. The Pennsylvania regiments were commanded by four native-born Irishmen: Col. John Shee—later General Shee—from Westmeath; Col. Robert Magaw from Strabane, County Tyrone; Col. Edward Hand—later adjutant general of the Continental Army—from Kings County, now O'Fallon; and Col. John Haslet from Dublin.

After the evacuation of Long Island, Col. Robert Magaw, with 3,000 soldiers from the Pennsylvania Line, was selected to defend Fort Mifflin in upper Manhattan against a force of 14,000 under the combined commands of Generals Howe and Matthew, Lord Cornwallis, and the Hessian commander, Baron von Knyphausen.

Among other Irish generals in the Revolutionary War were Gen. John Sullivan, who captured Fort William and Mary 6 months before the Battle of Lexington; Gen. Richard Montgomery, killed at the Battle of Quebec; General Warren, killed at Bunker Hill; and General Stark,

The first captain to be commissioned in the American Navy was an Irishman, John Barry; he was also the first American commander to receive the title of "Commodore."

Among the French troops sent by France to aid the American Colonies were the regiments of the famous Irish Brigade under the commands of Gen. (Count) Arthur Dillon and Colonel Walsh.

Among the members of the convention that framed the United States Constitution were four native-born Irishmen: Thomas Fitzsimons, Pennsylvania; Pierce Butler, South Carolina; Dr. James McHenry, Maryland; and William Paterson, New Jersey. Four were of Irish descent: George Reade, Delaware; Daniel Carroll, Maryland; Hugh Williamson, North Carolina; and John Rutledge, South Carolina. William Paterson was later appointed Justice of the United States Supreme Court. John Rutledge served as Justice of the Supreme Court of the United States from 1789 to 1791, was chief justice of the Supreme Court of South Carolina from 1791 to 1795. In 1795 he was appointed by President Washington as the second Chief Justice of the United States, but was not confirmed by the Senate.

In St. Paul's Cemetery on the west side of Broadway from Fulton to Vesey Street, two of the most imposing monuments are erected to Irishmen. On the Fulton Street side is the tall obelisk erected to the memory of Thomas Addis Emmett, a brother of Robert Emmett; the Gaelic inscription on this monument is by Rev. John England, the Roman Catholic Bishop of Charleston, S. C., born in the city of Cork. On the Vesey Street side is a monument to the memory of Dr. William J. McNevin, one of the men of 1788, an associate of Robert Emmett. The inscription is in Latin, Gaelic, and English. Dr. McNevin, however, is not buried in St. Paul's Cemetery, but is buried in the Riker family cemetery on Long Island.

Right at the entrance of St. Paul's Church is the grave of Gen. Richard Montgomery, born in County Donegal, one of the brilliant young leaders of the Revolutionary War who was killed in the Battle of Quebec.

The equestrian statue of General Sherman at the plaza, 5th Avenue and 59th Street, is the work of Augustus Saint-Gaudens, born in Dublin, Ireland.

The first colonial Governor of New York was Thomas Dongan, a native of County Kildare. He was responsible for the charter which set up public schools, and he also proclaimed the doctrine of religious toleration. The first mayor of New York after the Revolution was James Duane, a son of Anthony Duane, of County Galway, Ireland. Duane had been a member of the Continental Congress. The first Governor of New York after the Revolution was George Clinton.

The Clinton family played a very important part in the history of New York and the United States. George Clinton and his brother James were born in Orange County. Their father came from County Longford, Ireland. George Clinton was a member of the Continental Congress; a brigadier general in the

Revolutionary War; elected Governor of New York in 1777. In 1804 and in 1808 he was elected Vice President of the United States.

James Clinton served as a colonel and brigadier general in the Revolutionary War; took part in the siege of Yorktown; served in the New York Legislature and constitutional convention.

DeWitt Clinton, son of James Clinton, was born in 1769. In 1797-99 he was a member of the New York Legislature; in 1801 he was a United States Senator; in 1803 elected mayor of New York City; from 1811 to 1815 he was mayor of New York City and also lieutenant governor of New York; in 1812 he was a candidate for President of the United States against James Madison and received 89 electoral votes. From 1817 to 1828 he was Governor of New York, and died in office in 1828.

That many Irish families bear names of other than Irish origin is due to the fact that under the reigns of Henry and Edward IV many penal laws were passed by Parliament compelling the Irish families to adopt English names, or the name of a town, or a color, or an art or science. These laws were forerunner to the Austrian Empire law of 1787, and Napoleon's decree of 1808 ordering Jews to adopt surnames.

These laws of the Henrys and the Edwards resulted in Irish families adopting such names as White, Brown, and Black, Butler, Carpenter, Mason, and Taylor. They also resulted in a rough translation of the Gaelic names into English; for example, James Smith, a signer of the Declaration of Independence, was a native of Dublin, a descendant of a family named MacGowan. In Gaelic "Mac" means "son of" or "descendant of." The prefix "O'" also means "son of," and "Gow" means smith or blacksmith. When the laws of Edward IV became effective this branch of the MacGowan family changed their name to Smith. Other changes were "McShane" meaning literally in Gaelic son of Shane, or John became Johnson or Jackson. McTiernan, literally the son of Master, became Mastersen. O'Donnall became Donalson. McFergus became Ferguson. O'Cleary became Clark.

How a name is changed from English to Gaelic is illustrated by the fact that a few years ago an energetic man from Ireland, Erie O'Gowan, toured America in support of a campaign to remove the border between North Ireland and Ireland. During World War II he was a well-known brigadier general in the British Army, known as Eric Smith, and he changed the name to the Gaelic O'Gowan when he realized the injustice the border was inflicting on the Irish people.

As an example of the Irish contribution to America, we might look at the record of James Shields, born in Dunganon, County Tyrone. He was a brigadier general in the United States Army during the Mexican War; in 1848 he was appointed Governor of the Territory of Oregon; in 1849 he was United States Senator from Illinois; 1858-59 he was United States Senator from Minnesota. He was commissioned a

brigadier general in the Union Army in the Civil War, was wounded at the Battle of Winchester, and finished his public career as a member of the State Legislature of Missouri from 1877 to 1879.

President Theodore Roosevelt boasted that two collateral branches of his family were Irish.

The ancestors of Presidents Buchanan, Polk, and McKinley were from County Donegal; the ancestors of President Chester A. Arthur from County Antrim, Ireland.

Andrew Jackson, the 7th President of the United States was born in the Waxhaw settlement between North and South Carolina on March 15, 1767. His parents came from Carrickfergus, County Antrim, Ireland in 1765. His father, a poor farm laborer, died before Andrew's birth. In 1780, at the age of 13 he enlisted in the Revolutionary forces under General Sumter. In 1781, he was captured by the British and experienced brutal treatment from his captors.

Jackson taught school and began the study of law at the age of 18. In 1823, he was elected to the United States Senate, and the next year was a candidate for President. He received the largest popular vote among the four candidates, though John Quincy Adams was elected by the House of Representatives through the influence of Henry Clay.

In 1828, Jackson was triumphantly elected President over John Quincy Adams after a campaign of great bitterness.

With Jackson began a new era in American politics. His was the age of "Jacksonian democracy," the rule of the people.

Former Presidents, even Jefferson, had been chosen from the more learned aristocratic class—from the "rich and well born" as Alexander Hamilton put it during the Constitutional Convention. In the early years of the Republic it was understood this favored class should take the lead in managing public affairs, while the masses were to follow and obey. With the election of Jackson the people came into their own. Himself a sturdy frontiersman who had risen from lowest poverty, "Old Hickory" was one of the plain common people, and they gave him their confidence and trust more fully than any other President. Victor in two Indian wars; hero of the battle of New Orleans. Men acclaimed Jackson for his proven courage and directness in accomplishing results; even his enemies, and he made them by the score, could not deny his honesty, sincerity of purpose, and his warm heart.

John C. Calhoun, Senator from South Carolina, one of Jackson's political opponents, was a son of Patrick Calhoun born in Ireland.

The New York World-Telegram in March 1947 had the following news item:

HONOR MRS. ROOSEVELT

Mrs. Eleanor Roosevelt, whose great grandfather, Valentine G. Hall, emigrated from Ulster, Ireland, and settled in Flatbush, will receive the honor medal of the Ulster Irish Society of New York at the organization's banquet Friday night in the Wedgewood Room of the Waldorf-Astoria, it was announced today. The medal is awarded to

Americans of Ulster ancestry for notable service rendered to the United States.

In the field of invention the Irish have given us Fulton of the steamboat, Morse of the telegraph, McCormack of the reaper and binder, and John P. Holland, inventor of the submarine.

In surgery they gave us Drs. Agnew and Murphy.

In journalism: Greely, Laffin, Grady, and S. S. McClure.

On the stage: Bouccault, Barrett, the elder Drew, and Keane.

In poetry: Father Ryan, the poet of the South, John Boyle O'Reilly, O'Hara, and James Whitcomb Riley.

In industry: Orr and McCall of life insurance; James J. Hill, the railroad builder; A. T. Stewart; O'Day of the oil industry; Cudahy, meat packer; Mellon and Farrell of steel industry.

In music: Patrick Sarsfield Gilmore, predecessor to John Philip Sousa, Victor Herbert, and John McCormack.

In athletics: Sheridan, Ryan, McGrath and McDonald, and in baseball McGraw, Jennings, and Connie Mack.

In religion: Dr. Francis Mackenzie, founder of the Presbyterian Church; Rev. James Waddell known as "the blind preacher"; Father Mathews who preached temperance; Archbishop Ireland, Cardinal Gibbons. The first Catholic bishop in New York was a native-born Irishman, Rt. Rev. Luke Concanon.

During the Civil War President Lincoln selected the first Catholic Archbishop of New York, John Hughes, born in County Tyrone, Ireland, to visit Europe as a special envoy.

A few years ago Reader's Digest published an article entitled "Prelude to Fame," a copy of an article previously published in the Queen's Work. It told dramatically the story of nine young Irishmen who were convicted of treason in the young Ireland uprising in 1848, and sentenced to death, which sentence was later commuted to banishment for life to Van Diemen's Land, then an English penal colony, now Tasmania. They all escaped; and later when the Queen's authorities investigated the convicts were located as follows:

Richard O'Gorman was Governor of Newfoundland.

Thomas D'Arcy McGee was a Member of Parliament from Montreal, Minister of Agriculture, and President of the Cabinet of the Dominion of Canada.

Sir Charles Gavan Duffy was Prime Minister of Victoria in 1871.

Morris Lyne was Attorney General of Australia, and was succeeded in that office by his assistant and fellow convict, Michael Ireland.

Four of the convicts came to the United States:

Patrick Donohue was a brigadier general in the Union Army during the Civil War.

Terence Bellew McManus was a brigadier general in the Union Army during the Civil War, and is known for his intense spirit of Irish nationalism.

Thomas Francis Meagher was a brigadier general in the Union Army in the Civil War, and was in command of the famous Irish Brigade made up of New York's 69th, 88th, and 63d regiments, the

28th Massachusetts, and 116th Pennsylvania Regiments. Later he was Governor of Montana.

John Mitchell was the only one of the nine convicts who did not hold public office. He was an editor and publisher, and a fearless, caustic writer. He lived in New York City after his escape from prison. In 1862 he became editor of Jefferson Davis' paper, the Richmond Enquirer; this caused a breach with his Irish friends who were all fighting on the Union side.

When the war ended, two of Mitchell's sons had been killed while soldiers in the Confederate Army; Mitchell's property in Richmond had been destroyed by fire in the siege of Richmond, and Mitchell was imprisoned in Fortress Monroe with Jefferson Davis. When he was released, he returned to New York, became reconciled with his old friends, and took an active part in the Fenian movement to free Ireland. In 1874 he returned to Ireland and was elected to the British Parliament from County Tipperary. Then ensued a vitriolic battle between Mitchell and the Prime Minister. Mitchell refused to take the oath of allegiance to Queen Victoria, and the Prime Minister insisted he could not be seated because he was an escaped convict. In the midst of the controversy Mitchell died.

His grandson, John Purroy Mitchel became the Fusion mayor of New York in 1913.

No matter how one may view the Irish contribution to America, these facts cannot be controverted. In the 48 States of the United States there are 253 counties bearing distinctive Irish names; there are 65 places beginning with "O"; there are 1,000 places beginning with "Mc"; there are 7,000 places bearing Irish names; there are 24 Dublins; 24 Waterfords; 18 Belfasts; 16 Tyrones; and 10 Limericks.

Irish blood, brain, and brawn have played a valiant part in the fabric of America, and the people of Irish descent may take a pardonable pride in the Irish contribution to the development and preservation of the American Government.

The Law of the Land

EXTENSION OF REMARKS

OF

HON. ROBERT J. CORBETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. CORBETT. Mr. Speaker, on George Washington's birthday last week, February 22, Bob Post, of Glenshaw, Pa., a constituent of mine, was awarded the George Washington Honor Medal by the Freedoms Foundation at Valley Forge, Pa.

This coveted honor was bestowed upon Mr. Post because of his achievement in producing a motion picture entitled "The Law of the Land." The picture was selected from over one hundred submitted as being distinctly effective in

bringing about a better understanding of the American way of life during the year 1954.

Of particular interest to us is the fact that the Congress of the United States is the "star" of Mr. Post's picture. His story is that of a proposed bill being made a law of the land. It is told in a highly dramatic style and captures all the significant highlights, the heat and heartaches, the trials and tribulations that go into making a law.

Special permission was given to Mr. Post to set up his cameras in the House of Representatives and the Senate. His cast is one that I am sure would be a Hollywood casting agent's dream. It includes our present and former Speaker, the President of the United States and the Vice President, the Secretary of Agriculture, and many individual members of the House and Senate.

The film is strictly nonpartisan and attempts only to tell the story of how we make laws with proper emphasis on democratic principles at work. It has received enthusiastic reviews from educators, civic leaders, fraternal groups and service clubs all over the Nation.

A comparative newcomer into the field of documentary motion pictures, Mr. Post conceived the idea for The Law of the Land, wrote the story and was the "spark-plug" behind the picture's production. To him and to all those who worked with him to make his achievement and award possible, I offer my most sincere congratulations.

To the Eyes and Ears of the World We Must Seem Pretty Silly

EXTENSION OF REMARKS OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. O'KONSKI. Mr. Speaker, we must seem pretty silly in the eyes and ears of the world when we look upon certain incidents occurring within our own shores.

We are spending billions of dollars to stop communism all over the world, and yet permit known Communists freedom of action within our own shores.

To give an idea of such an incident, I would like to quote from a newspaper column appearing in the Duluth (Minn.) News-Tribune. In the column, titled "Between Us," by Siinto Wessman, there appears the following very pertinent and oh so truthful, pointed statement:

Knut Heikkinen * * * the man convicted of being a commie-alien * * * still doing whatever commie-alien do on a newspaper in Superior * * * the Tyomies * * * Government has tried to deport him for 4 years * * * but every time, Knut appeals * * * He's now free on \$5,000 bail while court of appeals ponders his case * * *. Here we spend 15 million bucks on the Duluth airbase * * * to defend ourselves against them * * * while one of their number runs around loose in our own backyard.

I want to say that Siinto Wessman speaks the mind and the heart of many

millions of Americans who are getting pretty impatient with our silk-glove treatment of Communists within our own midst.

American Victory in Korea Twice Abandoned on Orders

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. VAN ZANDT. Mr. Speaker, there are still many big holes in the history of America's first military defeat—in Korea, June 1950–53. But thanks to the determined inquiries of the Jenner Committee on Internal Security, the day-to-day chronicle of Dean Acheson's personal management of the war from the State Department, in Washington, has gradually been unfolded.

Our military forces had two great opportunities to win the Korean war decisively and conclusively. But on each occasion the smashing final stroke of victory was countermanded from Washington. Who ordered the victory twice to be abandoned, and why?

The most recent chapter on Acheson's "limited war" was related on November 23, 1954, by Lt. Gen. Edward M. Almond, retired, who had been Gen. Douglas MacArthur's chief of staff in Korea. He was asked in public session: "General, how many opportunities did our side have to win the war in Korea?"

His answer, illustrated with 13 field maps from the Korean theater, was two—first, in November 1950, following the historic Inchon envelopment of the North Korean forces; and second, in June 1951, when some 50 Chinese divisions were trapped and routed clear across the peninsula on a line extending roughly from Seoul to Kansong. At that point—2 months after Truman's sacking of General MacArthur—the whole American offensive was halted and abandoned on direct orders from Washington—hearings, page 2109.

Your answer is, then, we had two opportunities to win the war?

I think so—

General Almond responded.

General Almond's testimony comprises 78 printed pages, including 13 detailed operations maps depicting various phases of the Korean war.

We believe—

Said Senator Robert C. Hendrickson, of New Jersey, in his opening statement—

That there have been and still are, hostile forces working tirelessly to corrupt, to misdirect, and to destroy us from within. We believe that the most skillful, and the most menacing, of these forces are engaged in trying to subvert our political and military policy.

The Senator then recalled that the committee earlier had heard Gens. Mark Clark, George Stratemeyer, and James Van Fleet.

In each instance, information was gleaned that helped clarify the still confused, partly undisclosed, story of the Korean war. In each instance, it was discovered that these great generals shared our uneasiness and had asked themselves some of the questions the American people are asking—Why? And who? And when? And how will it end?

General Almond was assigned to General MacArthur's staff in Tokyo in June, 1946, advancing to Chief of Staff in February 1949. He returned to duty in the States in July 1951, and retired in January, 1953.

From 60 percent of normal peacetime strength as of October, 1946, MacArthur's command gradually was built up to approximately 75 percent by June 1948; and by June 1950, General Walker's Eighth Army had been built up almost to full peace strength, Almond told the committee.

But peacetime organization meant a battalion of infantry with only 3 companies, instead of 4. It meant a regiment of infantry with only 2 battalions instead of 3. It meant a tank battalion with only 1 company instead of 3. It meant an artillery battalion with 1 battery instead of 3 in it. That was the condition of the Eighth Army when we were faced with throwing our troops into Korea (hearings, p. 2056).

The Communist aggression in Korea broke on June 25, 1950, just 6 months after the British Government had extended formal recognition to the Chinese Communist regime at Peiping.

From the very outset it was a confused and uncertain war.

Many things happened back here that I didn't understand, and I would hesitate to try to assign reasons for them—

General Almond told the committee.

In other words—

Questioned Senator WELKER, of Idaho—

your impression was that the State Department was calling the signals at that time?

That is correct, sir—

Replied General Almond.

On June 20, 5 days before the war began, 2 distinguished visitors had been in Tokyo from Washington. They were Secretary of Defense Johnson, and Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff.

Did you get any impression or intelligence from those officers to the effect that trouble was brewing in Korea?—

Senator WELKER asked.

No, sir; we did not. I don't think they knew it—

General Almond responded.

General Almond was at his desk in Tokyo when first word of the Communist invasion reached him, about 2 p. m. Sunday, June 25. During the next 2 hours the whole peninsula burst into flame. Almost 200,000 North Korean aggressors swept into action in a military operation which had been skillfully planned and meticulously organized for almost 3 years. The South Korean forces were, as planned, overwhelmed and routed in 48 hours.

Two days later, June 27, the Pentagon directed Tokyo to send a reconnaissance party to Korea to determine the nature and extent of the Communist military

operation. But so swift and demoralizing had been the Communist thrust from the north that this American party never reached the Seoul airport, already in Communist hands. The party was forced to put down at Suwon. On June 29, MacArthur himself joined this reconnaissance group at Suwon. Everywhere the ROK defenders were in utter rout.

At best, there were some 24,000 ROK troops available to resist the swiftly advancing column of 150,000 North Korean Communist troops. Back in Tokyo that night General MacArthur began a series of two-way ticker conferences with the Pentagon.

It was during that period, just before and during this trip to Korea—

General Almond continued—

that it became known to us, much to our surprise, I will say, and much to General MacArthur's surprise, that this country was going to participate in armed action in Korea. None of our plans had included this.

This was the beginning of the Truman-Acheson "police action," which was to cost 143,000 American casualties and \$20 billions, during the coming 3 years.

The first directive from the Pentagon suggested that MacArthur send a regiment of infantry to Pusan to protect the supply base there. Later MacArthur was directed by the Pentagon ticker to use whatever forces he deemed necessary to protect the supply lines through Pusan.

That terminated the telecon, and General MacArthur immediately ordered 3 divisions under General Walker, the bulk of the Eighth Army, to Korea; because he knew the situation was so bad that nothing short of a fundamentally sound military movement would salvage it. I don't think you have to have me testify that even that wasn't enough for the next 3 months. The immediate action that was taken was barely enough to drag along, so that General Walker could maintain the semblance of a continuous line in defense of Pusan, called the Pusan perimeter (hearings, p. 2062).

That is how Truman and Acheson pushed the United States into the Korean war—unprepared, under-equipped, still at less than full peacetime strength, and into a campaign which never had been considered even as a theoretical possibility by the staff headquarters in Tokyo. Korea was not in the Far Eastern Command's defensive area. Congress was not consulted on the decision for war.

At this point, General Almond told the committee:

Our lines held, in spite of the restrictions and limitations imposed by our own Government, and our casualty lists were enormous (hearings, p. 2063).

From this tenuous beginning, however, General MacArthur was able at length to fashion victory. The historic Inchon landing was planned and executed in 23 days, and was effected on September 15, 1950. In another 60 days our United States forces were up to the Yalu River.

But Formosa had been neutralized by Truman late in June, thus releasing all the Communist Chinese coastal forces

to be concentrated in the north, in defense of Manchuria. As General MacArthur himself asserted:

Actually it was this protection which permitted the transfer of the very Communist armies assigned to the coastal defense of central China, for the attack upon our forces in Korea (hearings, p. 2069).

President Eisenhower revoked this neutralization of Formosa by our 7th Fleet late in January 1953, an act applauded publicly by MacArthur as one which "should be supported by all loyal Americans irrespective of party." The Korean armistice followed in 6 months.

But as soon as MacArthur hit the Yalu, in November 1950, the question of bombing the Yalu bridges developed. Specific orders from Washington sharply forbade this interruption of the Communist lines of supply and retreat—hearings, page 2068.

Similarly, the question of "hot pursuit" by American fighter planes was resolved by Washington in favor of the Communist forces sheltered in Manchuria.

So, too, was the issue of bombing the Manchurian bases resolved in Washington in favor of the Communist position. Of this situation, General Stratemeyer, commander of the United States Air Forces in the Far East, complained:

The enemy can hit me where I am based. I cannot hit him.

Precisely at this point the first victory in Korea was abandoned and forfeited on specific orders from Washington.

General Almond was asked at this juncture of his recital if he ever had heard of any commitments made in Washington not to win the Korean war.

His response:

Senator, I have no way of knowing what commitments were made. I can only answer that the things as they happened looked very strange insofar as the assurance with which the enemy appeared to operate. I think it would have been a very hazardous thing for the Chinese to enter North Korea in the abundant numbers in which they did, if they had thought that their bases of rice or ammunition, or any other kind of base, would be subject to attack.

That's the whole story of the first Korean victory abandoned by Washington. The Chinese Communists, somehow, had obtained complete assurances that they would not be bombed in Manchuria.

In November 1950 the Chinese Communists entered from their sheltered north to drive the Eighth Army and General Almond's X Corps back to Seoul. For the American forces, the brilliant and smashing Inchon victory of late September had been turned, in less than 3 months, into a tragic Dunkirk at Hungnam.

In this first Chinese attack from the protected north our Eighth Army was outnumbered 20 to 1—hearings, page 2072. But still MacArthur was not permitted to bomb the Communist bases in Manchuria. History one day will tell us who in Washington ordered this brilliant military victory at Inchon turned into shocking and humiliating defeat.

The second great victory for our United States forces in Korea came in May and June 1951. General MacArthur

had been removed from his command by President Truman on April 11.

The Chinese Communists sent in a massive offensive on April 22, 1951. These forces comprised 38 Communist divisions, of which 24 were destroyed, and the Chinese withdrew on April 30.

But on May 16 the Chinese Communists returned to the attack with 175,000 new troops, principally against the United States 2d Infantry Division of approximately 20,000 men. This operation lasted 6 days and nights, during which General Almond's X Corps of 7 divisions suffered 14,000 casualties, and was driven back at some points almost 100 miles.

Nevertheless, on May 22, Almond launched his counterattack, slashing through the enemy at every point of contact, "and in the next 2 or 3 days this complete enemy force reversed itself and started hiking for the rear," General Almond continued.

They lost every piece of transportation that they had in this area. * * * With the result, by the 1st of June we had regained much of this territory that we had lost in December-January 1950-51, and some more besides.

About this time—I will say, between the 1st of June and the 1st of July, when we were adjusting this new line—a thing happened to me that I have never experienced before. By private conversation with my commander, the Eighth Army Commander, General Van Fleet, I was told to halt my troops on that line and advance no further. * * * In other words, it was decided somewhere above General Van Fleet's head—and where, I do not know—I complied with the orders—that when we had defeated this huge force * * * the cream of their army * * * I think we were entitled to capitalize on it * * * the mission of any battlefield commander is to win in the field, and not be denied a victory for his forces—hearings, page 2074.

Dean Acheson testified before the MacArthur hearings, in early June 1951 that the 38th parallel limited the official area of United States operations in Korea.

General Almond was asked:

When were you informed that the 38th parallel would constitute victory?

He replied:

I was never informed of that fact or decision. I was only informed that my troops, which I considered victorious, and which were prepared to destroy the enemy—that could have been easily done; the only knowledge I had of that statement by Mr. Acheson is the fact that we were ordered not to advance further.

This, then, was the second specific occasion on which the State Department ordered the American Forces in Korea not to win the war.

And, of course, they never did.

Acheson's policy—never to crush the Communist forces—prevailed to the very opening of the cease-fire talks.

When the Chinese Communist forces first were spotted in massive formations in Manchuria, in November 1950, President Truman met in emergency session with the National Security Council, in Washington. After the session he issued a public statement, November 16, declaring in part "that we have never at any time entertained any intention of carrying hostilities into China."

That was all the Communists needed. Seven days later, on November 24, the first Chinese units appeared in North Korea in organized massive offensive operations. And when these new forces finally were destroyed the following June, Washington summarily ordered the American counterattack halted in its tracks.

Mr. Acheson's war was America's first military defeat—not because our forces were wanting in valor, courage, or sacrifice—but only because it was a war rigged against victory from the very outset.

As soon as MacArthur's forces got close to winning it—"in spite of the restrictions and limitations imposed by our own Government"—MacArthur was summarily sacked.

And when MacArthur finally was busted, the New York Daily Worker heralded the news in screaming headlines of Communist triumph.

"Good riddance" roared the Daily Worker headline, in 72-point blackface.

The Owen Lattimore plan of 1947, to deliver China to communism, was now a fait accompli.

Hello Uncle Sucker: American Shipyards Close and Lose \$1.8 Billion—Foreign Shipyards Boom and Take in \$1.2 Billion From Uncle Sam

EXTENSION OF REMARKS OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. O'KONSKI. Mr. Speaker, of the 1,347 merchant vessels under construction today in the world's shipyards, being paid for by Uncle Sucker, only 14 of these vessels are being built in the United States of America. In 1954, United States ships carried only 29 percent of our own Nation's foreign trade.

Vessels aggregating 3,884,749 gross and 6,054,831 deadweight tons have been ordered in foreign yards by American interests during the postwar period. If placed in American yards these vessels would have cost \$1.8 billion. Their cost abroad is approximately \$1.2 billion. Here then is the wholesale flight of American capital—which has made the difference between a sound shipbuilding establishment in the United States and one that has been reduced to a state of emergency. The answer—lower shipbuilding costs.

However, there is no reason to blame the shipowner. Sound business practice dictates his orders. He needed ships. He could get them built in foreign yards for 33 to 45 percent less than it would cost in this country. Some had funds tied up in foreign currency which were not convertible to dollars. It was the only way to get their money out.

The high cost of American-built tonnage is keyed to higher wages enjoyed by this country's labor force. Certainly the solution to making our shipyards more competitive is not to lower our standard

of living. The only alternatives are greater efficiency and Government aid.

Our shipyards have been operating on an austerity basis for some time, and a minimum of man-hours and a maximum of efficiency go into each ship. Therefore, Government help is necessary to keep some of this work in our own shipyards.

It would have cost the Government approximately \$67 million a year to have held this business for United States shipyards. However, the Government would have received back in taxes at least \$50 million each year.

The cost to the American economy is greater. The shipyards alone would have had to employ 17,000 more workers. An equal number would have been employed in supporting industries throughout the country. What it will cost in an emergency cannot be calculated.

At last report with the small backlog of orders on hand, our yards had dropped to 12th place in world shipbuilding.

An exclusive survey just concluded by Marine Engineering shows that shipbuilding contracts placed abroad by United States and affiliated interests in the postwar years now total 302 vessels of 3,884,749 gross tons, 6,054,831 deadweight tons, equipped with propulsion machinery aggregating 2,691,165 horsepower.

The contract value of this work if it had been placed with United States shipyards is estimated at \$1.8 billion. It is estimated that the cost of these 302 vessels built by shipyards in Europe and Japan will total about \$1.2 billion.

This great volume of new shipbuilding business placed abroad by American and affiliated interests had its beginnings in 1949. It far exceeds the total business contracted for with United States shipyards in the postwar years. During the past 8 years, beginning January 1947 and running through 1954, American shipyards completed 247 major-sized vessels of 4,642,000 deadweight tons for Government and private shipping interests. This is one-third less than the total tonnage ordered abroad in the past 6 years by these same private shipping interests.

This very definite and disturbing trend toward buying abroad, with its attendant neglect of the United States shipbuilding industry, is entirely a postwar development. In the 20 years between the two great wars very few vessels had been ordered from foreign shipyards by American interests. These were principally a few fruit carriers constructed for subsidiaries of the United Fruit Co. However, this trend has been developing very rapidly in recent years as will be noted from the following tabulation which shows the accumulated total of orders placed with foreign shipyards at various dates of exclusive surveys conducted by Marine Engineering.

Date of survey	Number of vessels	Deadweight tons
September 1950.....	32	559,900
June 1951.....	100	1,630,310
February 1952.....	178	3,313,970
September 1953.....	261	5,273,034
March 1955.....	302	6,054,831

It will be noted that the rate of increase in the total of these orders has slowed somewhat in the past 18 months as compared with the period represented by the other surveys. Part of this is due to the cancellation of some few orders during the past 2 years, and to the considerable contraction in ocean commerce and activity experienced since the end of the Korean war. During the past 6 months, however, there has been a very definite revival in the ordering of new ships in the principal maritime nations of the world. American interests have participated in this and ordered some especially large vessels from Japanese and European shipyards.

If only one-half of these 302 orders had been placed in the United States, the shipbuilding industry would be in a flourishing condition. Instead it has reached a point where shipyard employment is now at a postwar low. However, due to remedial measures passed by the last Congress the prospects ahead for the United States shipbuilding industry have brightened considerably. This has been brought about by cooperative efforts on the part of the Maritime Administration, the Shipbuilders Council of America, and the trade associations of the American shipowners.

This loss of business by American shipbuilding establishments to foreign competitors has meant not only a reduction in employment at the yards, but contraction for the very many affiliated industries in the 48 States which supply materials and parts for the building of ships. The United States Government and State governments also have been big losers through reduced income taxes from individuals and smaller corporation taxes.

The shipyards of the world now have orders on hand for the construction of 1,300 seagoing vessels of about 16,500,000 deadweight tons. A large percentage of this huge deadweight tonnage is for American interests as, of the over 6 million tons ordered from foreign shipyards, well over 50 percent remains to be constructed. Many of these vessels ordered abroad by American interests will not be completed until the end of 1956, and some few in 1957.

During the postwar years the shipbuilding industry of most maritime nations has experienced an almost constantly expanding volume of business, except for the last 2 years. The American orders placed abroad have been a major contribution to this condition and in effect has been a major source of export business for these nations. While the vessels cannot be classed as imports into the United States, the business does represent tremendous purchases from foreign interests, and in many cases is paid for in American dollars. To import these vessels into the United States and register them here would hardly be practical in view of the high duty that would have to be paid.

WHY ORDERS ARE PLACED ABROAD

All of these vessels ordered abroad will fly foreign flags upon completion. Most will be registered in Liberia and Panama. A liberal number, however, will be documented in Honduras, Great Britain, Hol-

land, France, Norway, Italy, and Germany. This will enable the owners to employ foreign crews at greatly reduced rates over those paid to American seamen. A number of these vessels will never come to the United States as they will be utilized by foreign subsidiaries of American interests trading to the countries in which they are registered. However, many will be employed in the foreign trade of the United States and will fly the flags of Panama and Liberia. These vessels, of course, cannot be used in the coastwise and intercoastal trade of the United States as these routes are restricted by law to American built and registered ships.

This postwar trend of ordering new ships from foreign shipyards will continue and additional contracts will be placed this year and for the next few years if world conditions warrant. The principal reason for this is, of course, the cost factor. The higher cost of labor and materials in the United States makes it practically impossible for American shipbuilders to compete in the world shipbuilding market.

Another major reason for ordering tonnage abroad is blocked currency owned by American oil companies in foreign countries. This has been principally in the sterling areas. In return for the privilege of marketing their products in these sterling and other areas, American oil companies have been forced into agreements to accept payment in sterling, and so forth, without conversion privileges. As a result, considerable balances, through profits, have been built up abroad. The most practical method to retrieve these profits is to invest in goods produced in the foreign areas involved, and take them out upon completion. Therefore, American oil companies with profits on hand in foreign countries have ordered a large number of oil tankers, oilfield equipment and other materials required in the conduct of their business. Under these conditions United States shipyards are practically eliminated from bidding on the construction of any of these new tankers.

Among the American oil companies affected by the blocked currency condition are the Standard Oil Co. of New Jersey, Socony-Vacuum Oil Co., Standard-Vacuum Oil Co., Gulf Oil Corp., Tide Water Associated Oil Co., The Texas Co., and the Caltex group. The latter is a combination composed of the Standard Oil Co. of California and the Texas Co.

While a considerable number of tankers have been ordered abroad by this American oil company group because of blocked currency, the total represents only a small percentage of the grand total of tankers and other types of vessels contracted for with foreign shipbuilders by American interests, mainly because of the cost factor. Some of the tanker orders placed abroad, however, have been contracted for by subsidiaries of American oil companies established principally in Great Britain, Italy, Germany, Holland, Belgium, France, Norway, and Denmark, and will be used by these subsidiaries to import oil into these particular countries where their products are marketed. A brief study of the companies listed in table 1 will reveal,

through similarity of names, the foreign affiliates of American companies established for marketing or tanker operating. A number of oil refineries have been built in many of these countries since the end of the war by American oil companies.

Many of the 217 tankers listed in table 1 have been ordered abroad, chiefly because of the cost factor, by other than oil companies. Included in this grouping are the National Bulk Carriers, Tidewater Commercial Co. of Baltimore, Hillcone Steamship Co. of San Francisco, Naess Shipping Co. of New York. Also, large investment groups composed in many cases of Greek-American backed by American bankers and insurance companies. Several of the largest banking institutions in the United States, among them the National City Bank and the Chase National Bank, have loaned money for the building of tankers, as have, also, insurance companies like the Metropolitan Life Insurance Co. These vessels when completed are long-term chartered to oil companies for periods ranging up to 15 years. Among the Greek-American groups ordering tankers abroad are the Orion Shipping & Trading Co., J. M. Carras, Inc., Olympic Oil Lines, Onassis, North American Shipping & Trading Co., Niarchos, Atlantic Oil Lines, Livanos, and many smaller organizations.

The oil companies, both here and abroad, have for a long period encouraged the construction of tankers by independent investment groups, as by so doing the oil people are able to retain their capital for the development of oil properties and the marketing of oil. In many cases the investment group orders the size and type of vessel needed by the interested oil company, complying with their established construction practices and specifications.

A principal factor contributing to this postwar development of ordering new vessels built abroad is the vast increase in the amount of imports required by the United States since the end of the war. While the importation of all types of basic materials has experienced great increases compared with pre-war figures, the big volume has been in iron ore, bauxite ore, gypsum, and oil, and this movement will continue.

For the transportation of this type of bulk cargo there is no necessity to operate ships under the American flag with attendant higher operating costs. Therefore, lacking the proper ships to move these bulk cargoes, American interests have gone abroad to secure most of the tonnage needed, mainly because of the difference in production cost between United States and foreign shipyards.

The types of cargoes moved has led to an ever-increasing size of vessel, and this has proven economically feasible because of the long hauls involved and the constantly spiraling cost of shipboard labor, upkeep, and maintenance. Along with this has come in the postwar years a new trend toward increased speed of ships. Accordingly, where one new 30,000- to 45,000-ton tanker now is displacing 2 and 3 smaller ones this same vessel with the sea speeds now be-

ing adopted is making almost twice the number of yearly voyages her counterpart of prewar days accomplished.

Before the war the number of large bulk iron-ore carriers in existence for ocean transportation was negligible. This situation is fast changing in the postwar years due to the development of new ore fields and the approaching exhaustion of American mines. This has necessitated the construction of big bulk carriers especially designed for long-haul runs.

The major steel producers, such as United States Steel Corp., Bethlehem Steel Co., Republic Steel Co., and the Inland Steel Co., have developed these new foreign iron-ore sources to serve the new and expanded steelmaking capacity created in recent years. None of these companies desire to engage in the transportation business, preferring to retain their capital for the development of steel mills and ore mines. Therefore, contracts have been made with shipping companies to move the ore into the United States.

Ships had to be built for this service and, based on costs, the business went to foreign shipbuilders. A number of iron-ore carriers already have been completed in foreign shipyards for American interests, ranging in size from 24,000 to 62,000 deadweight tons each. Bids currently are being solicited in Europe and Japan for the construction of additional ore carriers. Combination vessels also are being built which alternately can carry oil or iron ore and thus be in a position to participate in whichever trade offers the best freight rates.

Ore is being moved in new bulk-ore carriers by the States Marine Corp. from Liberian ore fields to Baltimore, where it is transhipped to railroad cars traveling inland to Republic Steel Co. mills. Considerable ore now is being taken from the Venezuelan mines of the United States Steel Corp. and the Bethlehem Steel Co. The National Bulk Carriers and the Joshua Hendy Corp., with new ships, are bringing the United States Steel ore into Mobile and the new Fairless Works at Philadelphia. The Bethlehem Steel Co. is moving its Venezuelan ore into Baltimore with its existing vessels.

The new Labrador ore fields being developed by a United States-Canadian combination headed by the M. A. Hanna Co., of Cleveland, now is beginning to produce. Ore has been moved down the St. Lawrence River from the Labrador fields by the American-Hawaiian Steamship Co. with new vessels. Also, the M. A. Hanna Co. has ordered two 30,000-ton bulk-ore carriers from British shipyards to participate in this ore movement. Ore soon will be mined in new fields in Peru by the Utah Construction Co. and moved to the United States in big bulk carriers being built in Japan for an affiliate, Associated Ocean Freight Services of San Francisco.

TYPES OF VESSELS ORDERED ABROAD

The increase in the total of orders placed abroad since our last report has been mainly in the tanker and bulk-carrier categories. It will be noted from table 2 that five-sixths of the total dead-

weight tonnage ordered is of the oil-tanker type, these accounting for 217 vessels of 5,100,828 tons. Large bulk-ore and bauxite carriers total 27 of 615,450 tons, while dry cargo and refrigerated cargo ships add up to 43 of 321,673 tons. The very large majority of these 302 vessels ordered from shipyards in foreign countries are of the large transoceanic type.

From table 3 it will be observed that almost 30 percent of the total deadweight tonnage has been ordered from shipyards in Scotland and England, totaling 102 vessels of 1,698,152 tons. Japanese shipbuilding establishments secured the second largest percentage of the deadweight tonnage ordered, this representing 47 vessels of 1,331,249 tons. German plants are running a close third with 64 vessels of 1,238,368 tons.

While these three nations secured between them more than two-thirds of these particular vessel orders and almost 70 percent of the tonnage, totaling 213 vessels of 4,267,769 tons, the balance spread around among shipyards in other nations amounted to 89 vessels of 1,787,062 tons. This went to yards in France, Holland, Belgium, Norway, Denmark, Sweden, Italy, and Canada.

Low building costs has been the principal reason for attracting so much of this new construction to shipyards in Germany and Japan. In 1954 contracts were reported placed in Japan for the building of some of the tankers included in table 1 at costs ranging between \$105 and \$130 a deadweight ton. Japanese yards were aided to some extent by indirect Government subsidies and by building contracts directly linked to the importation of sugar. Dutch and German yards currently are reputed to have the lowest building costs in Europe, and this has attracted much of the building for American interests. Italian yards, although aided by direct Government subsidies, have not been successful in securing the orders.

Largest of the vessels ordered abroad by American interests are the three bulk-ore carriers built at the Kure Shipyard, Japan, for the National Bulk Carriers. Two of these were finished in 1954 and the third in January 1955. These vessels have been registered in Liberia under the ownership of a National Bulk subsidiary, the Universe Tankships, Inc. Each is 794 feet long overall, 116-foot beam, 56-foot depth, twin screws, propelled by geared turbines of 16,500 shaft horsepower. These are the largest cargo vessels in the world.

Also completed at the Kure Shipyard for the National Bulk Carriers last year was the 47,000-deadweight-ton tankship *Phoenix*.

The largest oil tankers owned by any oil company in the world were ordered in January of this year by the Tide Water Associated Oil Co., western division, from two French shipyards. These vessels will be of 48,000 deadweight tons, and two each will be constructed by Chantiers de Penhoet, and Ateliers and Chantiers de France.

Four 39,000-ton tankships have been ordered in Japan by Orion Shipping & Trading Co. Two will be constructed by Harima Shipbuilding & Engineer-

ing Co., and two by Mitsubishi-Yokohama.

Among the many tankers being built abroad for the Afran Transport Co., affiliate of the Gulf Oil Corp., are two 37,000-ton vessels ordered from the Netherlands Dock & Shipbuilding Co., and one 36,800-ton ship now nearing the

launching stage at Chantier de Penhoet, France. Two 47,000-ton tankers are underway at Vickers-Armstrongs, England, for the World Tankers Corp., and one 38,500-ton vessel at Howaldts-werke Hamburg A. G., Germany.

These are but a few of the very many outstanding vessels which have been

completed or are on order in foreign shipyards of the world for the account of American or affiliated interests. Many slightly smaller vessels of 30,000 to 32,000 tons have been finished or are now underway together with an even greater number ranging in size between 20,000 and 30,000 tons.

TABLE 1.—Vessels ordered or completed in foreign shipyards for United States or affiliated interests during postwar years

BULK ORE

Name and owner	Builder and country	Flag	Length BP	Gross tons	Dead- weight tons	Horse- power	Drive	Knots	Year of deliv- ery
<i>Carl Schmedman</i> —Tropical S. S. Co. (Reynolds Metals Co.)	Vickers Armstrong—England	British	504	10,839	15,500	7,000	Turbine	15	1952
<i>Boni Hills</i> —States Marine Corp.	Fairfield S. B. Co.—England	Norway	613 1	17,318	22,400	8,500	Diesel	14½	1952
<i>Enduro</i> —States Marine Corp.	do.	do.	613 1	17,318	22,400	8,500	do.	14½	1953
<i>Chateaugay</i> —States Marine Corp.	do.	do.	613 1	18,232	22,400	8,500	do.	14½	1954
<i>Mosie Bay</i> —States Marine Corp.	do.	do.	613 1	18,232	22,400	8,500	do.	14½	1955
Not completed (2) States Marine Corp.	do.	do.	613 1	18,200	22,400	8,500	do.	14½	1954
<i>Pathfinder</i> —Pan Ore S. S. Co. (Aluminum Co.)	Hawthorn, Leslie—England	Panama	447	5,466	7,500	3,400	do.	12	1950
<i>Prospector</i> —Pan Ore S. S. Co. (Aluminum Co.)	do.	do.	447	5,466	7,500	3,400	do.	12	1950
<i>Dispatcher</i> —Pan Ore S. S. Co. (Aluminum Co.)	Burntisland S. B.—England	do.	425	6,350	8,000	3,300	Turbine	12	1954
<i>Discoverer</i> —Pan Ore S. S. Co. (Aluminum Co.)	Burntisland S. S.—England	do.	425	6,650	8,000	3,300	do.	12	1954
Not completed—Pan Ore S. S. Co. (Aluminum Co.)	Ommell Laird—England	British	650	21,300	31,000	7,700	do.	12	1954
Do.	Lindholmens—Sweden	do.	601	18,500	26,000	8,000	Diesel	12	1954
<i>Wanderer</i> —Pan Ore S. S. Co. (Aluminum Co.)	do.	Panama	425	6,715	8,000	4,150	do.	12½	1953
<i>Wayfarer</i> —Pan Ore S. S. Co. (Aluminum Co.)	do.	do.	425	6,715	8,000	4,150	do.	12½	1954
Not completed (2)—National Gypsum Co.	Nordseewerke—Germany	do.	500	10,000	15,000	4,500	do.	12	1954
Not completed—U. S. Gypsum Corp.	Deutsche Werft—Germany	Panama	425	8,000	10,000	3,000	Turbine	12	1954
<i>Cerro Bolivar</i> —Joshua Hendy Corp.	Eriksbergs—Sweden	do.	549	12,000	19,000	7,500	Diesel	15½	1955
<i>Sunbrayton</i> —Saguenay Terminals (Alcoa)	Burntisland—England	Canada	427 3	6,650	7,850	4,000	Reciprocating	12	1954
Not completed—Utah Construction Co.	Nippon Steel Tube—Japan	do.	625	11,300	31,400	13,000	Turbine	16	1954
<i>Ore Chief</i> —National Bulk Carriers	Kure Shipyard—Japan	Liberia	756	20,910	62,000	16,500	do.	15	1954
<i>Ore Transport</i> —National Bulk Carriers	do.	do.	756	21,600	62,000	16,500	do.	15	1954
<i>Ore Titan</i> —National Bulk Carriers	do.	do.	756	21,600	62,000	16,500	do.	15	1955
<i>Sunrip</i> —Saguenay Terminals (Aluminum Co.)	Davie Shipb., Ltd.—Canada	British	450	8,000	12,700	5,000	do.	13½	1954
Not completed—M. A. Hanna Co.	Furness S. B. Co.—England	do.	630	22,000	32,000	13,750	do.	16	1955
Do.	Swan, Hunter & W. Richardson—England	do.	630	22,000	32,000	13,750	do.	16	1955

REFRIGERATED

<i>Almirante</i> —United Fruit Company	Bremer Vulkan—Germany	Honduras	343 3	3,677	3,430	3,920	Diesel	15	1954
<i>Aragon</i> —United Fruit Company	do.	do.	343 3	3,677	3,430	3,920	do.	15	1954
<i>Atenas</i> —United Fruit Company	do.	do.	343 3	3,677	3,430	3,920	do.	15	1955
Not completed (3)—United Fruit Co.	Cammell Laird & Co.—England	do.	426	6,500	5,500	9,000	Turbine	17	1954

CARGO

<i>Leon</i> —United Fruit Co.	Bremer Vulkan—Germany	Honduras	315	2,765	2,900	2,800	Diesel	12½	1952
<i>Lempa</i> —United Fruit Co.	do.	do.	315	2,765	2,900	2,800	do.	12½	1952
<i>Simoa</i> —Global Transport (States Marine Corp.)	Fairfield S. B. Co.—England	Norway	461	9,516	12,500	7,000	Turbine	16	1953
<i>Sjoo</i> —Global Transport (States Marine Corp.)	do.	do.	461	9,506	12,500	7,000	do.	16	1954
<i>Sira</i> —Global Transport (States Marine Corp.)	do.	do.	461	9,538	12,500	7,000	do.	16	1953
<i>South African Merchant</i> —Global Transport States Marine Corp.	do.	do.	461	9,506	12,500	7,000	do.	16	1955
<i>El Cafetero</i> —Gulf & Atlantic Shipping Co.	Deutsche Werft—Germany	Panama	349	2,743	4,320	3,500	Diesel	14	1952
<i>Sakura</i> —Nortuna Shipping Co.	Yokohama S. & E.—Japan	Liberia	442 11	5,976	8,873	7,000	do.	16	1950
<i>Ergenia</i> —Monrovia Shipping Co.	Wm. Gray & Co.—England	do.	438	7,404	10,000	3,000	Recip. turbine	11½	1952
<i>Aliki Lianos</i> —Monrovia Shipping Co.	do.	do.	438	7,404	10,000	3,000	do.	11½	1953
<i>George</i> —A. G. Pappadakis	Wm. Denny & Bros.—England	do.	475 5	7,200	10,500	7,000	Turbine	16	1953
Not completed (2) P. D. Marchessault	A. G. Weser—Germany	do.	475	7,300	10,600	7,500	do.	16½	1954
Not completed (2) St. S. Niarcho, N. Y.	Kieler Howaldtswerke—Germany	do.	475	8,000	12,500	5,400	Diesel	15	1954
Not completed—West Africa S. S. Co.	Bartram & Sons—England	Liberia	445	6,100	10,750	5,500	do.	15	1954
<i>Bale Comenau</i> —Quebec-Ontario Trans. Co.	Atlantic S. B. Co.—England	Canada	252 3	2,280	3,000	1,220	do.	10	1954
Not completed—Canadian Gulf Line	do.	do.	252 3	2,280	3,000	1,220	do.	10	1955
<i>Anna C.</i> —West African S. S. Co.	Uddevalavarvet—Sweden	do.	330	3,800	5,400	5,600	do.	16	1955
Not completed (3)—Consolidated S. S. Corp.	Bartram & Sons—England	Liberia	445	6,100	10,800	4,800	do.	15	1954
Not completed—Comp. Nav. Valiente S. A.	Hitachi S. B.—Japan	do.	262 5	1,500	2,000	2,900	do.	15	1954
Not completed (2)—Fianza Comp. Nav. S. A.	do.	do.	475 8	7,000	12,000	6,600	Turbine	15	1954
Not completed—Parana Comp. de Vapores, S. A.	do.	do.	475 8	7,100	12,000	6,250	Diesel	15	1954
<i>Pindar</i> —Parana de Vapores	Kieler Howaldtswerke—Germany	do.	470	6,400	11,100	6,300	do.	15	1954
<i>Aphios Nicolao</i> —Rethymnis & Kulukundis	Short Bros.—England	Panama	450	6,129	10,200	5,550	do.	14	1954
<i>Aphia Marina</i> —Rethymnis & Kulukundis	W. Doxford & Sons—England	do.	450	6,590	11,000	5,000	do.	14	1954
<i>Atlantic Countess</i> —St. S. Lianos	do.	do.	450	6,590	11,000	5,000	do.	14	1954
<i>Daphne</i> —Cia Arm. Transoceanic	W. Gray & Co.—England	Liberia	475	8,000	12,500	6,000	Turbine	14	1954
<i>Nympe</i> —Cia Arm. Transoceanic	do.	Panama	450	6,000	9,000	4,000	Diesel	14	1954
	Furness S. B. Co.—England	do.	450	6,000	9,000	4,000	do.	14	1954

TUGBOAT

<i>Sandy</i> —United Fruit Co.	Elsflether—Germany	Ecuador	75	100	100	600	Diesel	10	1954
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WORKBOATS

Not named (4)—Arabian American Oil Co.	Haarlemsche S. B.—Holland	Liberia	61	60	110	240	Diesel	10	1954
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TABLE 1.—Vessels ordered or completed in foreign shipyards for United States or affiliated interests during postwar years—Continued

TANKERS

Name and owner	Builder and country	Flag	Length BP	Gross tons	Dead- weight tons	Horse- power	Drive	Knots	Year of deliv- ery
<i>Maritime Leader</i> —Maritime Transportation Co.	Jn. Cockerill—Belgium	Panama	548 6	12,064	18,519	8,000	Turbine	16	1953
<i>Maritime Trader</i> —Maritime Transportation Co.	do.	do.	548 6	12,064	18,519	8,000	do.	16	1953
<i>Nord America</i> —The Texas Co. (Norway)	Kockums—Sweden	Norway	581 8	15,925	23,925	8,500	Diesel	14	1952
<i>Brasit</i> —The Texas Co. (Norway)	do.	do.	513 3	16,540	15,625	8,500	do.	14½	1952
Not completed—The Texas Co. (Norway)	Deutsche Werft—Germany	do.	540	12,000	18,300	8,500	do.	16	1955
<i>Britannia</i> —The Texas Co. (Norway)	do.	do.	540	12,000	18,300	8,500	do.	16	1954
<i>South America</i> —The Texas Co. (Norway)	do.	do.	540	12,000	18,300	8,500	do.	16	1954
Not completed (2)—The Texas Co.	do.	Panama	595	18,000	28,000	13,750	Turbine	17	1955
Not completed—The Texas Co.	Frammaes Mek Verkstad—Norway	Norway	520	10,000	15,750	7,000	Diesel	14½	1956
Not completed—Oriental Trade & Trans. (Std.-Vae. Oil)	At. & Ch. de la Seine Mar.—France	British	406	7,300	11,000	3,660	do.	12	1956
<i>Royal Arrow</i> —Sovosco Transp. Co.	Netherlands Dock—Holland	do.	630	20,413	31,000	15,000	Turbine	16	1954
<i>Sylvan Arrow</i> —Sovosco Transp. Co.	do.	do.	630	20,413	31,000	15,000	do.	16	1955
<i>Aramis</i> —Soc. Mazout Transports (Socony-Vacuum)	Chantier de Penhoet—France	France	600	18,200	27,400	13,750	do.	17	1953
<i>Seahawk</i> —Seabird Tankers, Inc.	Mitsui S. B. & E. Co.—Japan	Panama	539 8	12,200	19,000	8,000	Diesel	15	1953
<i>Porthos</i> —Soc. Mazout Transports	Chantier de France—France	France	600	16,000	27,000	13,750	Turbine	16½	1954
<i>Thermidor</i> —Soc. Mazout Transports	Odense Skibs—Denmark	do.	539	11,000	18,000	8,000	Diesel	15	1954
Not completed—Deutsche Vacuum Oel	Bremer Vulkan—Germany	German	500	10,000	16,500	7,000	do.	14½	1955
<i>Vacuum Pioneer</i> —Vacuum Oil Co.	Grangemouth Dock—England	British	245	1,300	2,000	2,000	Reciprocating	11½	1953
<i>Magma</i> —Afran Transport Co. (Gulf Oil Corp.)	Furness S. B. Co.—England	Liberia	600	15,813	24,600	6,800	Diesel	14	1951
<i>Suhail</i> —Afran Transport Co. (Gulf Oil Corp.)	do.	do.	600	15,813	24,600	6,800	do.	14	1952
<i>Melika</i> —Afran Transport Co.	do.	do.	630	20,550	32,000	13,750	Turbine	16	1954
Not completed—Afran Transport Co.	do.	do.	630	20,550	32,000	13,750	do.	16	1955
<i>Persian Gulf</i> —Afran Transport Co.	Chantier de Penhoet—France	do.	631	20,390	31,461	15,000	do.	16	1954
Not completed—Afran Transport Co.	do.	do.	660	24,800	36,800	16,250	do.	16	1955
Not completed (2)—Afran Transport Co.	Netherlands Dock—Holland	do.	660	23,000	37,000	13,750	do.	15	1955
Do.	do.	do.	630	20,000	31,000	13,750	do.	16	1955
Not completed—Gulf Oil (Netherlands)	Terneuzense S. B.—Holland	Holland	181 1	220	450	250	Diesel	10	1955
<i>Cabines</i> —Afran Transport Co.	Deutsche Werft—Germany	Liberia	630 11	22,000	32,000	13,750	Turbine	16	1955
<i>Lagunillas</i> —Afran Transport Co.	do.	do.	630 11	22,000	32,000	13,750	do.	16	1955
Not completed (2)—Tide Water Associated Oil Co.	Mitsubishi S. B. & E.—Japan	do.	698 10	27,400	45,000	16,000	do.	16	1956
Do.	Chantier de Penhoet—France	do.	698 10	27,400	48,000	16,000	do.	16	1956
Do.	At. & Ch. de France—France	do.	698 10	27,400	48,000	16,000	do.	16	1956
<i>Monagas</i> —Afran Transport Co.	A. G. Weser—Germany	Venezuela	446	8,000	12,750	6,000	Reciprocating	15	1954
<i>Andros Venture</i> —Andros Shipping Co.	Davie S. B. & R. Co.—Canada	Canada	595	17,845	28,070	13,750	Turbine	17	1953
<i>Andros Fortune</i> —Andros Shipping Co.	do.	do.	595	17,845	28,070	13,750	do.	17	1954
<i>Esso Margarita</i> —Comp. de Petroleo Lago	Rotterdam D. D. Co.—Holland	Panama	406	7,434	10,905	4,000	Reciprocating	14	1954
<i>Esso France</i> —Esso Std. Francaise	At. & Ch. de la Loire—France	France	666	25,000	37,350	17,000	Turbine	17	1955
Not completed—Panama Transport Co.	do.	Panama	660	25,000	35,550	16,500	do.	16	1955
Do.	dell Adriatico—Italy	do.	660	25,000	35,550	16,500	do.	16	1955
<i>Esso Antwerp</i> —Esso Standard Co.	Cockerill Yard—Belgium	Belgium	601 2	17,000	26,650	13,750	do.	16	1955
<i>Esso La Guaira</i> —Comp. de Petroleo Lago	Glessen & Zonen—Holland	Panama	406	7,434	10,905	4,000	Reciprocating	14	1954
<i>Esso La Caroubier</i> —Esso Std. Francaise	van der Werf—Holland	France	280	1,800	2,730	2,000	Diesel	10½	1952
Not completed—Esso Nederland, N. V.	Glessen & Zonen—Holland	Holland	406	17,000	26,650	13,750	Turbine	16	1955
<i>Esso Liguria</i> —Esso La Columbia	del Tirreno—Italy	Italy	406	6,836	10,248	4,000	do.	14	1954
<i>Esso Venezia</i> —Esso La Columbia	Navali Riuniti—Italy	do.	568 1	14,700	21,600	10,600	do.	16	1955
Not completed (2)—Esso Varied Tankers	Deutsche Werft—Germany	German	601 2	17,000	26,650	13,750	do.	16	1955
<i>Esso Dusseldorf</i> —Esso Varied Tankers	A. G. Weser—Germany	do.	601 2	17,000	26,650	13,750	do.	16	1955
<i>Esso Munchen</i> —Esso Varied Tankers	do.	do.	601 2	17,000	26,650	13,750	do.	16	1955
<i>Esso Westminister</i> —Esso Petroleum Co.	Vickers-Armstrong—England	British	601 2	17,515	26,650	13,750	do.	16	1954
<i>Esso Canterbury</i> —Esso Petroleum Co.	do.	do.	601 2	17,515	26,650	13,750	do.	16	1954
<i>Esso York</i> —Esso Petroleum Co.	do.	do.	601 2	17,600	26,650	13,750	do.	16	1955
<i>Esso Exeter</i> —Esso Petroleum Co.	do.	do.	601 2	17,600	26,650	13,750	do.	16	1955
<i>Esso Oxford</i> —Esso Petroleum Co.	Cammell Laird & Co.—England	do.	601 2	17,600	26,650	13,750	do.	16	1953
<i>Esso Cambridge</i> —Esso Petroleum Co.	do.	do.	601 2	17,600	26,650	13,750	do.	16	1954
<i>Esso Paris</i> —Esso Std. Francaise	Penhoet—France	France	601 2	17,600	26,650	13,750	do.	16	1954
Not completed—Standard Vacuum Transp. Co.	Jn. Brown & Co.—England	do.	601 2	17,600	26,650	13,750	do.	16	1955
<i>River Boat</i> —Esso Transportation Co.	Dunston, Thorne, Hesse—England	do.	600	1,000	800	800	Diesel	9	1954
10 barges—Esso Transportation Co.	do.	do.	350	500	500	500	do.	9	1954
<i>Esso Odin</i> —Dansk Esso A/S	Kremer Sohn—Germany	Denmark	400	400	600	900	Diesel	9	1954
Not completed—Dansk Esso A/S	Odense Yard—Denmark	do.	621	17,600	26,400	11,000	do.	15.3	1956
Not completed—Esso Petroleum Co.	R. Dunston, Ltd.—England	British	190	700	1,070	865	D-E	9	1955
<i>River Boat</i> —Esso Nederland N. V.	Schram & Zonen—Holland	Holland	240	500	750	500	Diesel	9	1954
<i>Bitumen Boat</i> —Esso Petroleum Co.	Hull, Russell & Co.—Scotland	British	290	1,500	2,300	1,300	Recip.	11	1955
Not completed—Esso A. G.	Scheel & Johnk—Germany	German	100	200	300	200	Diesel	9	1955
Not completed—Esso Std. Belgium	Cockerill—Belgium	Belgium	170	600	900	400	do.	9	1955
Not completed—Esso Std. Belgium	do.	do.	100	200	300	200	do.	9	1955
<i>Stanvac India</i> —Std.-Vacuum Oil Co.	Cammell, Laird & Co.—England	British	601 2	17,350	26,700	13,750	Turbine	17	1954
<i>Stanvac Japan</i> —Std.-Vacuum Oil Co.	Mitsubishi S. B. & E.—Japan	do.	601 2	17,379	26,700	13,750	do.	17	1953
<i>Stanvac South Africa</i> —Std.-Vacuum Oil Co.	do.	do.	601 2	17,379	26,700	13,750	do.	17	1953
<i>Imperial Leduc</i> —Imperial Oil Ltd.	Collingwood Shipyds.—Canada	Canada	600	12,639	18,000	4,500	do.	12	1951
<i>Imperial Woodbend</i> —Imperial Oil Ltd.	do.	do.	600	12,639	18,000	4,500	do.	12	1952
<i>Imperial Sarnia</i> —Imperial Oil Ltd.	do.	do.	380 6	4,580	6,800	2,500	do.	12	1948
<i>Imperial Redwater</i> —Imperial Oil Ltd.	Port Arthur S. B. Co.—Canada	do.	600	12,852	18,000	4,500	do.	12	1951
<i>Caltex Pakanbaru</i> —Caltex Oceanic Ltd.	Jn. Cockerill—Belgium	Holland	250	2,000	3,200	1,600	Diesel	11	1952
<i>Caltex Bangkok</i> —Caltex Oceanic Ltd.	A. F. Smulders—Holland	do.	250 5	1,984	3,220	1,600	do.	11	1952
<i>Caltex Rupa</i> —Caltex Oceanic Ltd.	L. Smit & Zoon—Holland	do.	250	1,984	3,220	1,600	do.	11	1952
<i>Caltex Antwerp</i> —Overseas Tankship Corp.	Jn. Cockerill—Belgium	Panama	517 7	11,863	17,000	7,300	Turbine	15	1950
<i>Caltex Brussels</i> —Overseas Tankship Corp.	do.	do.	517 7	11,863	17,000	7,300	do.	15	1951
<i>Caltex Liege</i> —Overseas Tankship Corp.	do.	do.	517 7	11,863	17,000	7,300	do.	15	1951
<i>Caltex Delhi</i> —Overseas Tankship U. K. Ltd.	Wm. Doxford & Sons—England	British	470 6	8,527	12,500	5,150	Diesel	14	1952
<i>Caltex Kenya</i> —Overseas Tankship U. K. Ltd.	do.	do.	470 6	8,527	12,500	5,150	do.	14	1952
<i>Caltex Tanganyika</i> —Overseas Tankship U. K. Ltd.	do.	do.	470 6	8,527	12,500	5,150	do.	14	1952
<i>Caltex Calcutta</i> —Overseas Tankship U. K. Ltd.	do.	do.	470 6	8,527	12,500	5,150	do.	14	1952
<i>Caltex Liverpool</i> —Overseas Tankship U. K. Ltd.	Hawthorn Leslie & Co.—England	do.	524 3	11,814	17,000	7,300	Turbine	15	1952
<i>Caltex Bahrain</i> —Overseas Tankship U. K. Ltd.	do.	do.	524 3	11,814	17,000	7,300	do.	15	1953
<i>Caltex Manchester</i> —Overseas Tankship U. K. Ltd.	do.	do.	524 3	11,814	17,000	7,300	do.	15	1953
<i>Caltex Canberra</i> —Overseas Tankship U. K. Ltd.	Furness S. B. Co.—England	do.	524 3	11,860	17,000	7,300	do.	15	1953
<i>Caltex Perth</i> —Overseas Tankship U. K. Ltd.	do.	do.	524 3	11,860	17,000	7,300	do.	15	1953
<i>Caltex Padang</i> —Caltex Oceanic Ltd.	Smit & Zoon's—Holland	Holland	250	2,038	3,220	1,640	Diesel	11	1954
Not completed—Caltex Oceanic Ltd.	van P. Smit—Holland	do.	540	11,000	18,000	9,200	do.	16	1955
Not completed—Caltex Oceanic Ltd.	Rotterdam D. D.—Holland	do.	530	12,000	18,000	8,800	Turbine	16	1956
Not completed—Caltex Oceanic Ltd.	Wilton-Fijenoord—Holland	do.	630	20,000	32,000	13,750	do.	16	1956
Not completed—Nederland Pacific Tankvaart	Hitachi S. B. & E. Co.—Japan	do.	270	2,150	3,400	1,600	Diesel	14	1955

TABLE 1.—Vessels ordered or completed in foreign shipyards for United States or affiliated interests during postwar years—Continued

TANKERS—Continued

Name and owner	Builder and country	Flag	Length BP	Gross tons	Dead- weight tons	Horse- power	Drive	Knots	Year of delivery
Not completed—Overseas Tankship UK	Hawthorn Leslie & Co.—England	British	524 3	11,814	18,000	7,300	Turbine	14½	1957
Not completed—Overseas Tankship UK	Scott's S. B. & E. Co.—England	do	524 3	11,800	18,000	7,300	do	14½	1956
Not completed—Alvion S. S. Corp.	Vickers-Armstrong—England	Panama	640	21,000	32,000	13,750	do	16	1955
Not completed—Alvion S. S. Corp.	Jn. Brown & Co.—Scotland	do	640	21,000	32,000	13,750	do	16	1955
Not completed—Alvion S. S. Corp.	Blythwood S. B. Co.—Scotland	do	540	11,000	18,500	8,000	Diesel	15	1956
Cygnus—Rethymnis & Kulukundis	Furness S. B. Co.—England	do	500	10,800	16,300	5,500	do	16	1954
Arcturus—Rethymnis & Kulukundis	Howaldtswerke—Germany	do	595	18,288	28,238	13,300	Turbine	16	1953
Proteus—Rethymnis & Kulukundis	Netherlands Dok. Co.—Holland	Greek	600	15,800	24,000	9,200	Diesel	14½	1955
Not completed (3)—Atlantic Refining Co.	Cockerill Yd.—Holland	do	530	12,500	18,700	11,000	Turbine	16	1955
Not completed—Marine Enterprises, Ltd.	Bartram & Sons—England	Panama	525	10,000	17,000	6,800	Diesel	15	1955
Not completed (2)—Western Shipping Corp.	Harima S. B. & E. Co.—Japan	do	630	21,000	32,000	15,000	Turbine	16	1955
Not completed—Comp. Maritime LaEmpresa	do	do	630	21,000	32,000	13,750	do	16	1956
Not completed (2)—Orion Ship. & T. Co.	do	do	656 2	24,200	39,000	17,500	do	16	1956
Do	Mitsubishi-Yokohama—Japan	do	698 10	26,000	39,000	19,000	do	16	1956
Not completed—United Shippers, Ltd.	Kawasaki Dockyard—Japan	do	659 5	24,200	39,000	20,250	do	16	1955
Not completed—Petromar S. A.	Mitsubishi-Kobe—Japan	do	629 11	21,000	32,000	13,750	do	16	1956
Not completed—J. A. Cosmas, San Francisco	Oresundsvaret—Sweden	Panama	535	13,000	20,000	8,150	Diesel	15	1956
Ionian Messenger—Transocean Carriers Co.	Nippon Steel Tube Co.—Japan	Liberia	551 4	13,490	20,000	9,500	Turbine	15	1953
Ionian Challenger—Transocean Carriers Co.	do	do	551 4	13,490	20,000	9,500	do	15	1953
Ionian Traveler—Transocean Carriers Co.	Mitsubishi—Japan	do	585 2	15,826	24,000	8,500	do	14	1952
Tini—United Cross Nav. Co. (John Carras)	Hitachi S. B. & E. Co.—Japan	do	541 4	12,556	19,980	8,000	do	14½	1952
Genie—United Cross Nav. Co. (John Carras)	do	do	541 4	12,556	19,980	8,000	do	14½	1953
Darnie—United Cross Nav. Co. (John Carras)	do	do	541 4	12,556	19,980	8,000	do	14½	1953
Christina—United Cross Nav. Co. (John Carras)	do	do	541 4	12,556	19,980	8,000	do	14½	1953
Leonidas—Miramonte Cia Naviera	Nippon Steel Tube—Japan	Panama	550	13,000	20,000	9,500	do	15	1953
Andrew Dillon—Tanker Transports Co.	Uraga Dock Co.—Japan	do	556 8	13,500	20,000	9,000	do	15	1953
Virgin Islands—Caribbean Land & Shipping Corp.	Deutsche Werft—Germany	do	517 5	11,362	17,000	8,000	Diesel	15	1952
Windward Islands—Caribbean Land & Shipping Corp.	Bremer Vulkan—Germany	do	513 6	11,197	17,000	6,500	do	14	1952
Patricia—Oriental Nav. Corp. (Caribbean L. & S. Corp.)	Kawasaki Dockyard Co.—Japan	do	600 1	18,000	28,400	12,500	Turbine	17	1953
Mosito—Neptune Shipping Co.	Deutsche Werft—Germany	do	517 5	11,349	17,000	7,600	Diesel	15	1952
Mostank—Neptune Shipping Co.	do	do	517 5	11,349	17,000	7,600	do	15	1952
Almak—Alvion S. S. Corp.	Jn. Brown & Co.—England	do	540	12,618	19,000	8,000	do	14½	1952
Algal—Alvion S. S. Corp.	do	do	540	12,618	19,000	8,000	do	14½	1952
Alkalid—Alvion S. S. Corp.	Netherlands D. & S. B.—Holland	do	600	16,000	24,000	7,550	do	14½	1953
Alkor—Alvion S. S. Corp.	do	do	600	16,000	24,000	7,550	do	14½	1953
Karen Naess—Norness Shipping Co. (Naess Mejlender & Co.)	Deutsche Werft—Germany	Liberia	510 11	11,157	16,870	8,000	do	15	1952
North King—Comp. Petrolera Armadora, S. A. (Pappadakis)	Blythwood S. B. Co.—England	do	536 7	12,191	18,500	7,300	do	15	1952
North Prince—Comp. Petrolera Armadora, S. A.	Howaldtswerke—Germany	do	540	12,029	18,300	7,300	do	15	1952
Nicolas—Parana Cia de Vapores	Blythwood S. B. Co.—England	Costa Rica	530	12,350	18,500	7,500	do	15	1953
Chloe—Cia Armadora Transoceanica, S. A.	Furness S. B. Co.—England	Panama	560	15,800	24,500	6,800	do	14	1953
Sakura—Oceanic Shipping Co.	Kawasaki Dockyard Co.—Japan	Liberia	554 3	13,000	19,000	9,500	Turbine	15½	1953
Euryclia—Soc. Maritime San Nicolas, S. A.	East Japan Heavy Ind.—Japan	do	584	15,869	24,223	8,500	Diesel	15	1952
Adrias—Republic Marine Co.	Nippon Steel Tube Co.—Japan	do	551 4	13,752	20,000	9,500	Turbine	15½	1953
Kipawa—Unitas, Inc. (Maritime Trading Co.)	Jn. Brown & Co.—England	Panama	535	13,099	20,000	6,500	Diesel	15	1951
Atawa—Unitas, Inc. (Maritime Trading Co.)	do	do	535	13,099	20,000	6,500	do	15	1950
Clydewater—Tidewater Commercial Co.	do	do	535 6	12,774	19,000	6,500	do	15	1951
Petrokure—National Bulk Carriers	Kure Shipyard—Japan	Liberia	645	21,262	38,000	17,600	Turbine	18	1953
Petroking—National Bulk Carriers	do	do	645	21,262	38,000	17,600	do	18	1953
Petroqueen—National Bulk Carriers	do	do	645	21,262	38,000	17,600	do	18	1953
Petroemperor—National Bulk Carriers	do	do	645	21,240	38,000	17,600	do	18	1953
Phoenix—National Bulk Carriers	do	do	693 9	25,733	44,633	17,600	do	16	1954
Not completed—National Bulk Carriers	do	do	645	21,300	38,000	12,500	do	16	1955
Atlantic Duchess—Atlantic Oil Carriers	Wm. Gray & Co.—England	do	470	8,631	12,910	4,750	Diesel	13	1950
Atlantic Duke—Atlantic Oil Carriers	Smith's Dock Co.—England	do	508 5	10,930	16,652	5,500	do	13½	1952
Atlantic Baron—Atlantic Oil Carriers	Fairfield S. B. & E. Co.—England	do	545	12,700	20,000	8,000	Turbine	15	1953
Atlantic Baroness—Atlantic Oil Carriers	do	do	545	12,700	20,000	8,000	do	15	1953
Atlantic Lord—Atlantic Oil Carriers	Furness S. B. Co.—England	do	525	12,000	18,100	7,600	Diesel	15	1953
Atlantic Viscount—Atlantic Petroleum Carriers	A. G. Weser—Germany	do	534 9	11,300	18,100	8,250	Turbine	15	1954
Atlantic Viscountess—Atlantic Petroleum Carriers	do	do	534 9	11,300	18,100	8,250	do	15	1954
Atlantic Marques—Atlantic Petroleum Carriers	do	do	534 9	11,300	18,100	8,250	do	15	1954
Atlantic Marchioness—Atlantic Petroleum Carriers	do	do	534 9	11,300	18,100	8,250	do	15	1955
Atlantic Lady—Atlantic Oil Carriers	de la Seine Mar.—France	do	538	12,000	19,800	9,800	do	15	1955
Atlantic Earl—Atlantic Tankers, Ltd.	Kockums—Sweden	do	500	11,000	16,800	8,100	do	15½	1954
Not completed—Naess Shipping Co.	Netherlands Dock—Holland	Norway	650	24,000	38,000	16,000	do	16	1956
Not completed (2)—Naess Shipping Co.	do	Holland	580	15,500	24,700	8,400	Diesel	15	1956
Milton Araujo—Naess Shipping Co.	Knockums—Sweden	Panama	570	15,800	24,830	9,200	Turbine	15½	1954
Olympic Light—Olympic Oil Lines	Kieler Howaldtswerke—Germany	Liberia	552	13,923	21,500	10,000	do	16½	1952
Olympic Mountain—Olympic Oil Lines	do	do	552	13,923	21,500	10,000	do	16½	1953
Olympic Valley—Olympic Oil Lines	do	do	552	13,652	21,500	10,000	do	16½	1954
Olympic Hill—Olympic Oil Lines	do	do	552	13,580	21,500	10,000	do	16½	1954
Olympic Snow—Olympic Oil Lines	do	do	552	13,665	21,500	10,000	do	16½	1954
Olympic Rock—Olympic Oil Lines	do	do	552	13,665	21,500	10,000	do	16½	1954
Olympic Ice—Olympic Oil Lines	do	do	552	13,665	21,500	10,000	do	16½	1954
Olympic Brook—Olympic Oil Lines	do	do	552	13,678	21,500	10,000	do	16½	1954
Olympic Lake—Olympic Oil Lines	do	do	552	13,678	21,500	10,000	do	16½	1954
Olympic Dale—Olympic Oil Lines	Kieler Howaldtswerke—Germany	do	552	13,678	21,500	10,000	do	16½	1954
Olympic Cloud—Olympic Oil Lines	A. G. Weser—Germany	do	557 9	14,047	21,500	10,000	do	16½	1953
Olympic Wind—Olympic Oil Lines	do	do	557 9	14,047	21,500	10,000	do	16½	1954
Olympic Storm—Olympic Oil Lines	do	do	557 9	13,934	21,500	10,000	do	16½	1954
Olympic Breeze—Olympic Oil Lines	do	do	557 9	13,934	21,500	10,000	do	16½	1954
Olympic Rainbow—Olympic Oil Lines	do	do	557 9	13,934	21,500	10,000	do	16½	1955
Not completed—Olympic Oil Lines	do	do	557 9	13,934	21,500	10,000	do	16½	1955
Olympic Valour—Palmas Transp. Co.	Fenboet—France	do	631	20,453	31,688	15,000	do	16½	1954
Olympic Honour—Montserrado Transp. Co.	At. & Ch. de France—France	do	631	20,611	31,397	15,000	do	16½	1954
Olympic Splendour—Olympic Oil Line	de la Ciotat—France	do	628 3	20,595	31,440	15,000	do	16½	1954
World Enterprise—World Tankers Corp.	Vickers-Armstrongs—England	do	635	20,536	33,040	13,750	do	16	1953
World Harmony—World Tankers Corp.	do	do	635	20,991	33,040	13,750	do	16	1954
Not completed (2)—World Tankers Corp.	do	do	725	28,000	47,000	20,000	do	16	1954
World Unity—World Tankers Corp.	do	do	625	20,131	31,745	13,750	do	17	1952
World Concord—World Tankers Corp.	do	do	625	20,131	31,745	13,750	do	17	1952
Saxonsa—No. Am. S. & T. Co.	Kockums—Sweden	British	525	13,000	20,000	10,000	do	15½	1953
Saxonsky—No. Am. S. & T. Co.	do	do	525	13,000	20,000	10,000	do	15½	1953

TABLE 1.—Vessels ordered or completed in foreign shipyards for United States or affiliated interests during postwar years—Continued

TANKERS—Continued										
Name and owner	Builder and country	Flag	Length BP	Gross tons	Dead- weight tons	Horse- power	Drive	Knots	Year of delivery	
Saxonheath—Oriental Tanker Corp.	Nederland Dok—Holland	Liberia	538 9	12,705	18,500	9,000	Turbine	15½	1952	
Saxonhill—Oriental Tanker Corp.	do	do	538 9	12,705	18,500	9,000	do	15½	1953	
Saxonglade—No. Amer. S. & T. Co.	Vickers-Armstrongs—England	British	528	13,321	20,450	8,300	do	14	1952	
Saxondale—No. Amer. S. & T. Co.	do	do	528	13,321	20,450	8,300	do	14	1952	
Saxonglan—No. Amer. S. & T. Co.	do	do	528	13,321	20,450	8,300	do	14	1953	
Saxonmead—No. Amer. S. & T. Co.	do	do	528	13,321	20,450	8,300	do	14	1953	
Tina Onassis—A. S. Onassis	Howaldtswerke A. G.—Germany	Liberia	723 2	25,010	46,000	17,600	do	15	1953	
Al-Malik Saud Al-Awal—A. S. Onassis	do	do	723 2	25,010	46,000	17,600	do	15	1955	
World Grace—World Tankers Corp.	Kiel Howaldtswerke—Germany	do	630	20,431	32,500	17,600	do	16	1954	
World Guardian—World Tankers Corp.	do	do	630	20,431	32,500	17,600	do	16	1955	
Not completed—World Tankers Corp.	do	do	630	20,431	32,500	17,600	do	16	1955	
World Justice—Intermarine Nav. Corp.	Mitsubishi-Nagasaki—Japan	do	630	20,500	32,000	15,000	do	16	1954	
World Jury—Intermarine Nav. Corp.	do	do	630	20,500	32,000	15,000	do	16	1954	
Not completed—Stavros S. Niarchos	Kockums—Sweden	British	640	22,000	32,500	16,500	do	16	1955	
Not completed—Stavros S. Niarchos	Howaldtswerke—Germany	Panama	663	24,000	38,500	16,000	do	16	1955	
East River—Tidewater Commercial Co.	Jn. Brown & Co.—England	Liberia	535 6	12,775	19,000	7,000	do	15	1954	
Not completed—Tidewater Commercial Co.	do	Panama	631	20,400	32,000	15,000	do	16	1955	
Not completed—Stavros S. Niarchos	Kockums—Sweden	Liberia	663	24,000	38,500	16,500	do	16	1957	

CAR FERRY

New Grand Haven—West India Fruit & S. S. Co.	Canadian Vickers—Canada	Honduras	436	5,074	4,280	8,560	Unafloat	18	1951	
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DREDGE

Sandpiper—Creole Petroleum Co.	Canadian Vickers—Canada	Dutch	237	1,902	2,500	2,880	D-E	14	1950	
Clarence B. Randall—Construction Aggregates	Port Arthur Sy.—Canada	Canadian	174	1,800	2,500	10,000	D-E		1955	
Joseph L. Block—Construction Aggregates	do	do	174	1,800	2,500	10,000	D-E		1955	

Totals—302 vessels; 3,884,749 gross tons; 6,054,831 deadweight tons; 2,691,165 horsepower.

TABLE 2.—Types of vessels ordered from foreign shipyards by United States and affiliated interests during the postwar years

Type	Num- ber	Gross tons	Dead- weight tons	Horse- power
Tanker	217	3,270,685	5,100,828	2,241,515
Bulk carrier	27	372,251	615,450	213,900
Reefer	6	30,531	26,790	37,860
Freighter	37	197,106	294,883	165,850
Carferry	1	5,074	4,280	8,560
Dredge	3	5,502	7,500	22,880
Tugboat	1	100	100	600
Oil barge	10	3,500	5,000	
Total	302	3,884,749	6,054,831	2,691,165

TABLE 3.—Countries building vessels for American and affiliated interests during the postwar years

Type	Num- ber	Gross tons	Dead- weight tons	Horse- power
United Kingdom:				
Cargo	17	116,117	170,750	83,290
Reefer	3	19,500	16,500	27,000
Bulk	15	216,221	283,750	110,600
Oil barge	10	3,500	5,000	
Tanker	57	808,921	1,221,152	516,715
Total	102	1,164,250	1,698,152	737,605
Germany:				
Cargo	8	45,273	67,420	41,200
Reefer	3	11,031	10,200	10,860
Bulk	3	28,000	40,600	12,000
Tugboat	1	100	100	600
Tanker	49	715,879	1,119,958	525,500
Total	64	800,283	1,238,368	590,160
Canada:				
Bulk	1	8,000	12,700	5,000
Ferry	1	5,074	4,280	8,560
Dredge	3	5,502	7,500	22,880
Tanker	6	78,130	116,940	43,500
Total	11	96,706	141,420	79,940
Japan:				
Cargo	7	31,676	50,873	33,800
Bulk	4	76,109	217,400	62,500
Tanker	36	666,652	1,062,976	468,350
Total	47	774,437	1,331,249	564,650

TABLE 3.—Countries building vessels for American and affiliated interests during the postwar years—Continued

Type	Num- ber	Gross tons	Dead- weight tons	Horse- power
Sweden:				
Cargo	1	3,800	5,400	5,600
Bulk	4	43,930	61,000	23,800
Tanker	9	138,271	212,180	93,750
Total	14	186,001	278,580	123,150
Denmark:				
Tanker	2	28,600	44,400	19,000
Norway:				
Tanker	1	10,000	15,750	7,000
Italy:				
Tanker	3	46,536	67,298	32,200
Belgium:				
Tanker	9	79,517	119,088	53,850
Holland:				
Tanker	29	360,630	580,550	254,190
Workboat	4	240	440	960
Total	33	360,870	580,990	255,150
France:				
Tanker	16	337,549	539,536	228,460
Grand total	302	3,884,749	6,054,831	2,691,165

TABLE 4.—Number of vessels ordered abroad by major American organizations in post-war period

	Number
United Fruit Co.	9
States Marine Corp.	10
Aluminum Company of America	10
Reynolds Metals Co.	1
M. A. Hanna Co.	2
Standard Oil Co., New Jersey, and affiliates	45
Standard-Vacuum Oil Co.	6
Socony-Vacuum Oil Co.	7
Tide Water Associated Oil Co.	6
Gulf Oil Co.	13
The Texas Co.	8
Caltex group	21
Atlantic Refining Co.	3
National Bulk Carriers	9
North American Shipping & Trading Co.	25
Atlantic Oil Carriers	14
Olympic Oil Lines	21

TABLE 4.—Number of vessels ordered abroad by major American organizations in post-war period—Continued

	Number
Orion Shipping & Trading Co.	6
Naess Shipping Co.	7
J. M. Carras, Inc.	4
Hillcone Steamship Co.	2
United States Gypsum Co.	1
National Gypsum Co.	2
Chicago Tribune	2

The Founder of Czechoslovakia:
Thomas G. MasarykEXTENSION OF REMARKS
OF

HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. SHELLEY. Mr. Speaker, on this anniversary of the birth of Thomas G. Masaryk, first president of the Czechoslovak Republic, it is only fitting that we should do him honor. As much as George Washington was the father of our country, Thomas G. Masaryk was the father of his. Yet the people of Czechoslovakia are not permitted to celebrate his birthday, because those who rule Czechoslovakia today represent the negation of everything Thomas G. Masaryk stood for. He stood for truth; they stand for falsehood. He stood for liberty; they stand for the bitterest kind of oppression. He stood for a religious and moral basis of life; they stand for atheistic materialism. He was the friend of America, and they are our sworn enemies.

Under the inspiration of Masaryk, Czechoslovakia became a model of de-

mocracy in the heart of Europe. Her fate at Munich left the friends of freedom dismayed. After enduring the worst of Nazi tyranny the Czechoslovak people looked forward to an era of peace and freedom. Those hopes were cruelly dashed by Communist conspiracy and betrayal. Today the people of Czechoslovakia and the other enslaved peoples of the world need our continued support and encouragement. We will furnish that support and encouragement, for we believe that the spirit of the Czech people is still the spirit of Thomas G. Masaryk.

Correct an Injustice of the Social Security Act

EXTENSION OF REMARKS OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. WESTLAND. Mr. Speaker, today I have introduced a bill to amend the Social Security Act. This bill provides that a widow who loses her widow's benefits by remarriage may again become entitled to such benefit if her husband dies within 1 year after such remarriage.

Recently my attention was called to a situation in my home of Everett, Wash., which pointed out very sharply the need for the legislation I have proposed. A widow became entitled to widow's benefits under the Social Security Act. Shortly thereafter she married a second time. Within 9 months her second husband died. Upon her remarriage the widow's benefits from her first husband were, of course, terminated. Under the present wording of the Social Security Act, the widow received no benefits from the second husband following his death as the statute stipulates that the parties must have been married for a full year. So, at the age of 67, this woman finds

herself twice widowed and unable to receive any widow's benefits.

Mr. Speaker, I do not believe that such a situation was ever intended and my amendment to the Social Security Act would correct it. While the requirement of 1 full year of marriage is perhaps, under ordinary circumstances, a justifiable standard to prevent fraud, such a standard has no application in these special conditions. Furthermore, under my bill the benefits to which the widow will be entitled upon the death of her second husband are those of her former husband. Thus, there is no chance that a remarriage would be arranged on the chance of receiving higher benefits from the death of a second husband of less than 1 year.

The situation which my bill seeks to correct is unjust. I believe it is incumbent upon Congress to make sure that social security benefits are not kept from the deserving by unnecessary technicalities of the law.

Results of Statewide Poll Among Nevada Citizens

EXTENSION OF REMARKS OF

HON. CLIFTON (CLIFF) YOUNG

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. YOUNG. Mr. Speaker, I have recently conducted a statewide poll among Nevada citizens on seven important issues facing this Congress.

The results have been tabulated by International Business Machines Corp., and I wish to call them to the attention of my colleagues.

May I also make formal expression of my appreciation to the thousands of Nevadans who took the time to express their views and thus render a valuable contribution to the shaping of national policy.

The poll follows:

	Yes	No	Undecided
	Percent	Percent	Percent
1. Regarding foreign policy do you feel:			
(a) Red China should be admitted to the U. N.?	9.8	81.6	8.6
(b) The United States should withdraw from the U. N. if Red China is admitted?	33.9	54.0	12.1
(c) Economic assistance and technical advice to non-Communist countries should be continued?	69.9	17.5	12.6
2. Regarding taxation and the budget (the national debt now totals over \$274 billion; the interest on this costs American taxpayers more than \$6 billion each year; the deficit for present fiscal year is \$4 billion plus), do you favor:			
(a) Higher taxes to balance the budget?	15.9	65.7	18.4
(b) Following the President's recommendations which continue the gradual trend toward a balanced budget but still maintain a deficit?	75.3	11.3	13.4
(c) Reducing taxes by increasing the individual exemptions from \$600 to \$700 (will cause loss of \$2.4 billion annually)?	22.9	60.0	17.1
3. With regard to national security do you feel:			
(a) Administration is placing sufficient emphasis—over 45 percent of military budget—on airpower?	66.5	15.7	17.8
(b) Universal military training is preferable to extension of selective service?	66.2	20.5	13.3
4. Which of the following statements expresses your views on the Taft-Hartley law?			
(a) "Slave labor law which is unfair to unions and the average workingman."	7.3	40.1	52.6
(b) "Not strict enough in prohibiting monopolistic, unjust, and dangerous practices by unions."	31.9	18.6	49.5
(c) "Experience has shown that law is fair and just; may need some amendments but over all is a good law."	77.0	4.5	18.5
5. Do you favor the health reinsurance program whereby the Federal Government plans to encourage expansion of private health insurance by assuming exceptional risks?	42	39.4	18.6
6. Regarding natural resources do you favor:			
(a) More emphasis on State and local participation in reclamation projects?	69.9	12.4	17.7
(b) Encouraging private enterprise to participate in developing atomic power for peacetime use?	85.2	7.4	7.4
7. Do you feel postal rates should be increased to assist in cutting down the postal deficit (now \$1 million plus per day)?	74.1	20.9	5.0

The Navy Needs the "Forrestal" Type Carrier as Replacement for World War II Carriers

EXTENSION OF REMARKS OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. VAN ZANDT. Mr. Speaker, on March 7, 1955, Adm. D. B. Duncan, United States Navy, Vice Chief of Naval Operations, Navy Department, read the following statement of Adm. Robert B. Carney, United States Navy, Chief of Naval Operations, to the House Armed Services Committee, urging support for the Navy's fiscal year 1956 shipbuilding and conversion program.

Admiral Carney's statement follows:

STATEMENT OF ADM. ROBERT B. CARNEY, UNITED STATES NAVY, CHIEF OF NAVAL OPERATIONS, BEFORE THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, WITH RESPECT TO H. R. 4393

Mr. Chairman and members of the committee, I deeply appreciate the opportunity to have my personal statement with respect to H. R. 4393 presented to you today by the Vice Chief of Naval Operations.

This bill incorporates the Navy's fiscal year 1956 shipbuilding and conversion program, approved by the President, and for which we are now seeking funds from the Congress. Mindful that this committee already has an extensive knowledge of the Navy's shipbuilding requirements, it is my intention to present as concise and meaningful a picture as possible to this group, dealing with the program as a whole, and then follow by a more detailed discussion of one item in the program. I thank the committee for giving its time and attention to this program, so important to the Navy.

At the outset I should like to comment on the relation of military strategy to national policy. The fundamental character of military strategy derives from and must be in consonance with national policy. The Armed Forces functioning in accordance with approved military strategy are thus carrying out the mission of support of the national policy, from which a large number of functions and activities extend. Since our Government, to mention a few examples, is a party to the North Atlantic Treaty Organization which ties us to the general area of Europe, from the North Cape to north Africa and from the Atlantic Ocean to the Middle East, and since we have mutual security arrangements with many of the nations in the western and southwestern Pacific, not to mention those in our own hemisphere, and since national policy involves cooperation and collaboration with the free nations of the world, it is evident that our grand military strategy must be a forward one. From the fact that our grand military strategy is a forward one is derived the Navy's overall task to control the seas. The proper performance of this task is essential in order to project the power of our Armed Forces overseas and to any part of the world where it is needed and includes direct and positive support of the land battle and the air battle in overseas theaters of operation. The Navy is a primary and indispensable element in the projection of military power to overseas areas and naval airpower is an essential element in all phases of naval operations. The Navy on the sea, under the sea, and in the air, may well be the factor which determines whether a war is fought far from our

shores or in our own homeland. This is important. Ships and aircraft and the means of operating them, of the kinds and numbers required to fight in the kind of a war which we may expect if we are so unfortunate as to be plunged into one, are essentials to the Navy, and a continuing, progressive and forward looking shipbuilding program is a good part of the lifeblood of the Navy.

The basic objective of our annual shipbuilding and conversion programs is direct and clear-cut. Each is an increment of a longer range plan, designed to maintain the most modern Navy possible, with the needs of the future always in mind.

The two most important factors affecting our programs are, first, the specter of overage and block obsolescence as it affects many of our existing ships; and, second, the vital necessity of maintaining the lead in today's race in the technological field. There are other factors which we must take into consideration. Our programs must be orderly, keeping pace with evolutionary transition, for it would neither be practicable nor desirable to replace the entire fleet at once. We will always have some old and some new. We must consider the importance of maintaining the know-how and mobilization base in the shipbuilding industry.

In preparing our annual shipbuilding and conversion program, we are also mindful of the naval capabilities of unfriendly powers. While such naval capabilities do not directly control the level of our forces, they do have a most definite impact on the tasks that we will have to accomplish. In the case of the Soviet Navy the most dangerous element is its submarine force. A large part of the U. S. S. R. undersea craft, now estimated at about 350, are modern and are certain to be well-armed and equipped. While we have no information that the U. S. S. R. has built, or is building, aircraft carriers, the number of Soviet naval aircraft is upwards of 3,000. This weakness in the lack of aircraft carriers is a weakness which we must exploit, and for which, I may add, we may take some measure of comfort. Soviet naval construction of surface combat ships, as well as submarines, is increasing. Both cruisers and destroyers in relatively large numbers have been built by the Soviets since the end of World War II. The U. S. S. R. has more ships in active service in commission than any other navy except our own.

Of major importance—our programs must place the emphasis on hitting power rather than on massive numbers of ships, mindful that balance must be retained.

Most of the ships now in our active and reserve fleets are World War II vintage; many have already passed the midpoint of their useful life expectancy. Unless a continuing and orderly shipbuilding and replacement program is provided, large numbers will become obsolete at about the same time, and because of the long lead-time for building ships, it would be impossible to replace these ships in a relatively short time, even if unlimited authorization and funds were available. In the technological weapons race of our era, yesterday's or even today's weapons in old or new hulls soon become marginal or obsolescent. We must not fail to continue our strenuous drive to develop new weapons, and when ready, to incorporate them in our ships without delay.

Our shipbuilding and conversion program is designed to achieve a proper balance between useful modernizing of the old and acquisition of new and advanced types with modern characteristics not achievable through modernization, and we are mindful of the need for proper phasing of our programs in order that economy and efficiency may both be realized to greater measure.

In every case where it would be economical and practicable to modernize an existing type, we have taken that course; but where an existing hull cannot meet the need,

or where a conversion would be disproportionately costly in the light of future value of the ship, we have requested that a new ship be built. I think that the committee understands that the point of diminishing returns is eventually reached with regard to the modernization of existing ships. When that point is reached, we must either replace the ship or vacate its place in the fleet.

My own philosophy with respect to this program may be briefly stated as follows:

It is a program designed around long-range needs—the fast carrier task force, to project airpower where it will be most effective; the development and employment of nuclear power for propulsion; weapons modernization, including missiles; greater sea-keeping qualities in our ships; and last, but far from least, the improvement of our anti-submarine effort, including the procurement of a few prototype escort types which could be produced rapidly and cheaply with a minimum of material and labor.

The bill before you would authorize and direct the President to undertake the construction of, or to acquire and convert, 34 naval vessels, large and small, plus about 14,000 tons of landing craft; and to convert or modernize 28 existing ships. The individual types and their respective tonnages are listed in the bill, but in summary, I should like to indicate briefly, for the more important items some of the features or reasons why they are included in the program.

(a) One, *Forrestal* type carrier has been requested in the program in order to continue an orderly replacement program of World War II carriers; to meet the operational demands of carrier aircraft envisioned for the future, such as requirements for increased catapult capacity, increased arresting gear capacity, stronger flight decks, larger elevators with higher lifting capacity, higher hangar deck overhead to accommodate larger aircraft; and in order to provide for increased jet fuel capacity, greater speed, and survival power.

(b) Eight submarines, three of which are nuclear powered, and five with improved conventional diesel powerplants. One of the latter will have guided missile capabilities.

We attach great importance to the 3 nuclear-powered submarines, 1 of which is a large radar-picket submarine. They represent a progressive advance in nuclear power, and will incorporate the latest developments available. The 3 nuclear-powered submarines represent a part of our continuing efforts to phase in nuclear power for ship propulsion as rapidly as practicable, depending upon the state of the art and upon the capacity of industry to produce the required powerplants. This transition must proceed in a prudent, orderly, and forward-looking manner, recognizing that development of nuclear-power propulsion is still in its infancy, and that the ships which we build must be useful for many years.

The 5 submarines with conventional propulsion systems are included in the program as a part of our efforts to overcome the acute problem of block obsolescence in this type. I would point out that the conventional propulsion powerplants are not obsolescent, or will they become so in the near future. The submarines in this program, with the diesel-electric-propulsion machinery, will have many advanced features, including new weapons, deep-diving capacity, and are badly needed in the fleet. We cannot afford to delay submarine construction until adequate nuclear powerplants are proven and available. We are confident that the conventional powerplants in the 5 non-nuclear-powered submarines in this program will be useful and effective for the life of the ship.

(c) World War II destroyers are rapidly becoming obsolescent, and on a modest re-

placement basis, we are requesting as new construction:

(1) Seven conventional destroyers with the latest antiaircraft armament, sonar, and antisubmarine weapons.

(2) Six frigates, a type similar to the destroyer *Leader* previously constructed, which will now also be classified as frigates. These ships will have improved antisubmarine and antiaircraft warfare capabilities, and improved sea-keeping qualities. We now plan that 3 of the 6 will have guided-missiles capabilities.

(3) Two escort vessels. Upon mobilization there will be a requirement for a large number of escorts for merchant convoys and slower naval forces, and these new escort vessels are being developed as a low-cost prototype that could be mass produced.

(d) The program includes 3 auxiliary ships—2 fast ammunition ships, and 1 fast general stores issue ship. In the design of these ships, consideration was given to increased speed and to a more rapid replenishment-at-sea rate.

The principal items in the conversion program are:

(1) The installation of angled decks on six carriers to gain improved performance from jet aircraft, plus the additional safety factor inherent in the angled deck.

(2) One austere conversion of a light cruiser to carry the Talos missile and one conversion of a destroyer to carry the Terrier missile. Again, these are prototypes.

(3) To permit the Navy to carry out its commitments in support of continental defense, it is planned to convert 12 escort vessels and 4 Liberty hull cargo vessels into radar picket ships. This is a continuation of a previous program.

The ships in this program have been recommended by me as Chief of Naval Operations, the Secretary of the Navy, the Secretary of Defense, and the President. It has been included as a program deemed essential by those who are responsible not only for the effectiveness of our naval forces, but also by those of the executive branch, who have great responsibilities for the security of the United States and the responsibility of making recommendations in the premises to the Congress. Notwithstanding the approval by these officials, some questions have been raised with respect to the carrier included in this program and therefore, I feel it would be appropriate to discuss in more detail the need for this particular ship.

I mentioned earlier that we place greatest dependence on hitting power rather than on massive numbers of ships. Our greatest hitting power today is spearheaded by our mobile carrier task force, and this bespeaks the importance attached to developments in aircraft carriers, aircraft, weapons and techniques, in order that we keep abreast of technological advances. It is essential that we keep abreast if we expect to carry out effectively our missions and tasks.

Our striking power must be available on D-day to initiate immediately our offensive and defensive tasks.

The inescapable effects of age are such that by 1965 we will have only 7 attack carriers fully capable of operating our high performance aircraft if the carrier program is discontinued; and 3 of the 7 would be 16 to 20 years old. Six more ships, incorporating every possible improvement, will have become marginal in capability. Such a situation would not meet the security requirements as envisaged today by those who are responsible for the military security of the United States.

It is the clearly and emphatically stated policy of our Government today that we should strengthen our airpower. The President has defined the United States airpower as the total airpower of the military forces.

The foregoing considerations constitute the basis for including an aircraft carrier in the fiscal year 1956 shipbuilding program.

For the nuclear deterrent role, the United States must possess striking forces which are powerful, varied in their nature and employment, and as invulnerable to surprise attack as we can make them. They must be varied in character because, if we were to rely on only one type of striking force, the enemy's defense problem would be much more easily solved, or he might more easily persuade himself he has solved it, and in this belief launch his surprise attack. A variety of types of forces also lessens the vulnerability of our national striking power to any single type of enemy attack. A mobile base, for example, will not be vulnerable to the very long-range ballistics missiles of the 1960-70 era. A sea base can be more readily defended against many forms of air attack, particularly in the atomic area. The sea base from which we can employ airpower, offensively and defensively, on the seas and contiguous land areas where the use of airpower would otherwise be unfeasible, impracticable, or impossible, is the carrier striking force. I would like to evaluate the capabilities of a carrier striking force.

A sea-based carrier striking force has the following capabilities:

1. An ability to deliver nuclear weapons in considerable quantity.

2. An ability to deliver such weapons against the very bases from which the enemy may challenge our control of the seas, such as enemy submarine pens, or other bases from which the enemy might operate vessels or aircraft against our forces.

3. Dispersal of part of our national power upon the sea where it is able to move about and thus, because it does not remain in a fixed position, reduce its likelihood of destruction.

4. An ability to operate effectively against targets the destruction of which requires very accurate delivery of weapons.

5. An ability to participate readily and effectively in "brush fire" type of warfare, such as Korean war and the Tachens, while retaining a power to join in an all-out nuclear attack.

6. An ability readily to shift pressure as the center of the threat shifts without constructing new bases and without danger of the old base falling into enemy hands.

7. And finally, the carrier striking force represents power that we can place overseas and use as we will, without negotiation or consultation with foreign governments, and without the advance build-up for which there may not always be time.

I can state unequivocally that the most important ship in the Navy's fiscal year 1956 shipbuilding program is the aircraft carrier of the *Forrestal* class. This ship, together with the four *Forrestal* class carriers previously authorized, is necessarily larger than any of our present carriers in order to be able to operate, without restrictions, new and more powerful carrier aircraft, as I have mentioned earlier. The modernization program for World War II carriers has permitted the Navy to date to keep abreast of carrier aircraft development and the needs of naval aviation. However, the practical limit for a substantial improvement of these carriers is clearly in sight. Anticipating this situation, the Navy designed the *Forrestal* class carrier with aeronautical and other features which will provide substantial operating margins for aircraft envisioned for its useful life. The *Forrestal* class carrier is a logical and forward looking step in the development of a proven weapon.

Carrier forces are deemed essential elements of the Armed Forces and are incorporated in approved force levels recommended by the Joint Chiefs of Staff and approved by the Secretary of Defense and the President for the fiscal year 1956. As a matter of interest, the fiscal year 1956 naval force levels include one more carrier and one more carrier air group than in fiscal

year 1955. This, I believe, clearly demonstrates the essentiality of the carrier forces.

Furthermore, the approved force levels for fiscal year 1956 include the operations of the best and most formidable carriers in our inventory, a fact which indicates the necessity for obtaining the best possible capabilities from this essential component.

Under the philosophy that we are girding for the long pull, and are leveling off with powerful forces that can be supported for such a period, it is to be expected that carrier forces will be needed for the foreseeable future, and it is axiomatic that the carrier forces in commission should have the maximum capabilities attainable. The aircraft carrier and the Fast Carrier Task Group make up a vitally important weapons system in which we have a major advantage over our most likely enemy. Any action at this time that would forfeit this advantage would appear to be a most unwise course indeed.

In conclusion, I should like to assure this committee that every ship included in this program is essential. Each type has a definite mission and definite tasks to perform in our concept of modern naval warfare. Each is designed to be useful for the maximum period of time. I earnestly hope that we will have the support of this committee in obtaining approval of this program and I recommend the enactment of H. R. 4393.

Iron Curtain Captives

EXTENSION OF REMARKS

OF

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. ASHLEY. Mr. Speaker, the people of two European nations this week have special occasion to lift their minds and hearts to the remembrance of freedom, even though they now find themselves bowed under the relentless hand of communism.

March 7 was the 105th birthday anniversary of Thomas Garrigue Masaryk, founder of the Czechoslovak Republic and on March 15 the Hungarian people will mark the 106th anniversary of Hungarian independence from Hapsburg rule.

It is our hope that the people of Hungary and Czechoslovakia will look back to the origins of their freedom, now lost, and renew their resolve to once more attain independence and a rightful place among the free nations of the world.

I have great faith in the spirit and resolve of these captive peoples. During my work with Radio Free Europe I saw, over and over again, evidences of it. And I saw, too, how these courageous people look to the United States for help and encouragement.

It is not enough that we voice pious tributes and bold promises to the liberty-loving people behind the Iron Curtain. Only by our continuing fight against communism at home and abroad can we set the pace for others who would be free. Only by our unwavering insistence in the councils of nations and on the very doorstep of the Kremlin itself can we keep the spark of hope alive.

We must give concrete evidence of our genuine concern for these oppressed peoples. Let us liberalize our immigra-

tion laws and welcome to our shores their homeless. Let us redouble our efforts, through such agencies as the Voice of America, to pierce the Iron Curtain, and let us make sure that our military strength matches our urgent demands for a free world.

Federal Payroll Reduced by \$612 Million in 1954

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. JOHANSEN. Mr. Speaker, the Federal payroll for civilian employees of the executive branch during the calendar year 1954 was \$612,123,000 less than for the preceding calendar year.

In December 1954, the number of Federal civilian employees was 186,238 less than in January 1953.

Since 1930 the population of the United States has increased 30 percent. In the same period the number of Federal employees increased 300 percent and the dollar amount of the payrolls increased 900 percent.

However much we may wish for even more substantial reductions in the payroll figures than were accomplished in 1954, the achievement of President Eisenhower's administration on this score is tremendously significant and heartening.

Not only have the brakes been put on, so far as a dangerous 20-year trend is concerned, but the trend has actually been reversed.

The following charts, taken from News Bulletin No. 49, issued by Paul O. Peters, give the comparative executive payroll figures for the calendar years 1953 and 1954:

Calendar year 1953

Month	Employees	Payrolls
January.....	2,554,310	\$893,513,000
February.....	2,548,954	850,739,000
March.....	2,526,819	807,785,000
April.....	2,502,772	887,785,000
May.....	2,478,963	799,638,000
June.....	2,482,359	823,980,000
July.....	2,454,714	834,482,000
August.....	2,430,412	783,594,000
September.....	2,401,912	808,805,000
October.....	2,373,113	787,943,000
November.....	2,366,710	757,788,000
December.....	2,357,294	874,352,000
Total for 1953.....		9,986,386,000

Calendar year 1954

Month	Employees	Payrolls
January.....	2,346,892	\$756,498,000
February.....	2,340,962	729,975,000
March.....	2,340,137	803,530,000
April.....	2,335,296	782,146,000
May.....	2,330,509	751,688,000
June.....	2,333,894	781,945,000
July.....	2,332,200	774,902,000
August.....	2,331,508	774,464,000
September.....	2,317,565	780,632,000
October.....	2,323,029	753,513,000
November.....	2,343,707	780,632,000
December.....	2,368,072	904,338,000
Total for 1954.....		9,374,263,000

**Jefferson-Jackson Day Dinner—Address
by Hon. Samuel J. Ervin, Jr., of North
Carolina**

**EXTENSION OF REMARKS
OF**

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 10, 1955

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very fine address delivered by our colleague, the Senator from North Carolina [Mr. ERVIN] at the Jefferson-Jackson Day dinner at Richmond, Va., on Friday, March 4, 1955.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR HERITAGE: A BLESSING AND AN OBLIGATION
(Address by Senator SAMUEL J. ERVIN, JR.)

I am grateful to the Democratic State Central Committee of Virginia for inviting me to join the militant and untterrified democracy of the Old Dominion in this Jefferson-Jackson Day gathering. The invitation affords me ample excuse for absenting myself for the time being from the babel of Washington, where the confusion engendered by the Republicans calls to my remembrance an event which occurred some years past in my home town of Morganton, N. C.

On that occasion my diplomatic colored friend, Jock Fleming, went automobile riding with two companions. The automobile was undoubtedly full of gasoline. Its occupants were allegedly full of moonshine. The automobile left the road and turned over, causing substantial injuries to Jock's two companions. Jock was unhurt. After extricating Jock's companions from the wreckage and sending them to the hospital for medical attention, Morganton's Chief of Police, Fons Duckworth, undertook to ascertain by inquiry of Jock who was driving the automobile at the time of the accident. He received this reply from Jock: "Fore God, white folks, 'fore God, I don't know. The last thing I remember all three of us were riding on the back seat."

I trust you will pardon at this point an allusion rather personal in nature. I cannot come to the Old Dominion without experiencing emotions similar to those which prompted Moses to remove his sandals from his feet because he stood on Holy ground. Kindred of mine fought for the Confederacy in virtually every engagement on Virginia soil from Bethel to Appomattox. One of my great-uncles was killed in action at Seven Pines. Another fell in combat on the Darbytown Road.

In the words of Britain's heroic poet, Rupert Brooke:

"These laid the world away; poured out the red
Sweet wine of youth; gave up the years to be
Of work and joy, and that uphoped serene,
That men call age; and those who would
have been,
Their sons, they gave, their immortality."
—The Dead.

Since their dust is commingled forever with Virginia's good earth, Virginia to me is hallowed ground.

I wish to bear this testimony to the Democrats of Virginia: It is a great privilege to serve in the Congress with the able and devoted men sent by you to that body.

Senators HARRY BYRD and WILLIS ROBERTSON and Congressmen WATKINS ABBITT, VAUGHN GARY, PORTER HARDY, BURR HARRISON, PAT JENNINGS, EDWARD ROBESON, HOWARD SMITH, and BILL TUCK bring to the performance of their legislative duties the high courage, intelligence, intellectual honesty, and patriotism which the Nation has long since become accustomed to expect of Virginians.

In my remarks on this occasion, I forego discussion of the transient issues of the hour. I prefer to consider with you fundamental principles which must be preserved if the America we know and love is to endure.

1. OUR HERITAGE

As Americans, each of us can assert with the psalmist of old: "The lines are fallen unto me in pleasant places; yea, I have a goodly heritage."

These words of the psalmist suggest the subject of my remarks: "Our Heritage: A Blessing and an Obligation."

We received our heritage in trust for ourselves and our children and our children's children from all those men and women, both great and small, whose blood, sweat, tears, and prayers made the America we know and love a living reality.

Our heritage is liberty. While liberty has blossomed in our land, love of liberty did not have its origin here. It was brought hither by courageous men and women from the British Isles, the vine-clad hills of France, and the Palatinate of Germany, who craved above all the things of earth the economic freedom, the political freedom, and the religious freedom denied to them by the tyrannical rulers of the Old World.

Since so many men now appear so anxious to swap the reality of human liberty for the mirage of economic security, it would be well if we would pause a moment, and ponder the choice our ancestors made when they forsook the comparative security of the Old World for the terrifying insecurity of the New. It was not without many pangs of regret that they turned their backs for all time upon the scenes of their childhood, the graves of their beloved dead, the comparative security of the then civilized world, and journeyed in tiny barks across a boisterous ocean to establish homes for themselves and their children and their children's children in what was then a perilous wilderness in a new and strange land.

Why did they do this? Why did they exchange the comparative security of the Old World for the terrifying insecurity of the New? The answer is simply this, and nothing more: They believed that only the slave, who depends upon a master for the bread of bondage, is really secure; and they knew that only the self-reliant soul, who spurns security for opportunity, is truly free. For this reason, they chose liberty rather than security.

Liberty reveals herself in a threefold guise as economic liberty, political liberty, and religious liberty. Let us consider her attributes in each of these aspects.

2. ECONOMIC LIBERTY

The brave men and women, who brought the love of liberty to these shores, did not learn economics sitting at the feet of those who promise "abundance for all" by robbing "Selected Peter to pay for Collective Paul." They acquired their knowledge the hard way. Their teachers were despotic governments, which robbed them of the fruits of their labor by confiscatory taxation, and in that way reduced them to the status of economic slaves.

The valiant folk who made America great had the hardihood to accept the economic truths plainly visible to all persons who possess the capacity and willingness to meet reality face to face.

They knew that earth yields nothing to man except the products of his own labor.

They knew that Adam's curse is an unchanging and unchangeable law of life: "In the sweat of thy face shalt thou eat bread, till thou return unto the ground." They knew that man has but one choice in respect to this immutable economic fact, and that such choice is simply this: Whether the bread which he must eat in the sweat of his face shall be the bread of freedom or the bread of bondage. They knew this unalterable decree of the Creator of the universe: Free men cannot be induced to produce things of value unless they are permitted to retain a fair share of the fruits of their labor for themselves and their families.

They knew, moreover, that man can be free only if he is willing to accept the responsibility for his own life which is inseparable from liberty.

3. POLITICAL LIBERTY

The political philosophy of the Founding Fathers is readily understood if one bears in mind the historical fact that the Thirteen Original States—Connecticut, Delaware, Georgia, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, and Virginia—became self-governing Commonwealths 12 years before the United States had its legal birth.

The representatives of the people of these States met in constitutional conventions, and framed State constitutions. These men were conversant with the story of the long and bitter struggle of the English-speaking race for some substantial measure of dignity and freedom for the individual. They loved liberty and loathed tyranny, and were convinced that government itself would have to be compelled by fundamental law to respect the inherent rights of the individual if freedom were to be preserved and oppression were to be prevented. In consequence, they inserted in the constitutions of the States declarations of rights designed to protect citizens from the States.

It was no accident that the first words incorporated in the constitutions of the original States were declarations to the effect "that all political power is vested in and derived from the people" and "that the people of * * * (the States) * * * ought to have the sole and exclusive right of regulating the internal government and police thereof." The writers of the organic laws of the States placed these declarations in first place in their constitutions because the political concepts embodied in such declarations occupied first place in their hearts and minds. They had much cause for assigning prime importance to their beliefs in the sovereignty of the people and the rights of the States to local self-rule. They had suffered many things at the hands of a government far removed from the people.

The consciousness of early Americans that liberty is inevitably imperiled by a government far removed from the people finds further example in their implacable insistence upon the insertion of the first 10 amendments in the Federal Constitution. These amendments guarantee the personal and property rights of the individual, and declare that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The ancient beliefs that all political power is vested in and derived from the people and that the States ought to have the right to regulate their internal affairs are as valid today as they were when the Declaration of Independence was signed and the Constitution of the United States was ratified.

4. RELIGIOUS LIBERTY

The most heart-rending story of history is that of man's struggle against civil and ecclesiastical tyranny for the simple privilege of bowing his own knees before his own God in his own way. As Chief Justice Walter

P. Stacy of the North Carolina Supreme Court so well declared in one of the great judicial opinions of all time, "men contend more furiously over the road to Heaven, which they cannot see, than over their visible walks on earth," and history records "the tragic fact that men have gone to war and cut each others' throats because they could not agree as to what was to become of them after their throats were cut."

The men and women who gave liberty to America were devout souls. They had learned some of the sorrowful facts of the spiritual life of man in the bitter crucible of experience. Most of them dissented from the doctrines and usages of the churches established by law in the lands of their origins. They were denied the right to worship God in their own ways. They were compelled to pay tithes for the support and propagation of religious opinions which they disbelieved. They had their marriages annulled and their children adjudged illegitimate for daring to speak their marriage vows before ministers of their own faiths rather than before the clergymen of the established churches.

But these cruel oppressions merely steeled their convictions that religion is a private matter between man and his God; that no human authority should undertake to control or interfere with the rights of conscience; and that "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves is sinful and tyrannical."

For these reasons, our ancestors staked the very existence of America as a free Nation upon the principle that "all men have a natural and unalienable right to worship Almighty God according to the dictates of their own consciences," and the corollary that this natural and unalienable right can be secured only by keeping the hands of the state out of religion and the hands of religion off the state.

5. A BLESSING AND A WARNING

Courageous men and women built America with strong minds, great hearts, true faith, and ready hands. They gave us a great country dedicated to the proposition that men "are endowed by their Creator with certain unalienable rights; that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness." They gave us this land with the knowledge, however, that God grants freedom only to those who love it, and are always ready to guard and defend it; and they left us the solemn warning that a frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.

They bequeathed this warning to us because they had read the history of the long and bitter struggle of men for some substantial measure of dignity and freedom for the individual, and had found this shocking but everlasting truth inscribed upon each page of that history: Government itself is the deadliest foe of liberty.

This tragic truth was well expressed a third of a century ago by a great statesman and Virginian, Woodrow Wilson. He said: "Liberty has never come from the government. Liberty has always come from the subjects of it. The history of liberty is a history of resistance. The history of liberty is a history of limitations of governmental power, not the increase of it."

6. OUR OBLIGATION

Let us ponder these words of Wilson. Let us recur with frequency to fundamental principles. Let us preserve for ourselves and our posterity our goodly heritage—economic liberty, political liberty, and religious liberty. This is our obligation. We must perform it. As followers of Jefferson and Jackson, we cannot do otherwise.

Revision and Amendment of the McCar-ran-Walter Immigration Act and Revision of Fair Labor Standards Act of 1938

EXTENSION OF REMARKS

OF

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. DIGGS. Mr. Speaker, today I am introducing a bill to amend and revise our present immigration and naturalization law. I am also introducing a bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to \$1.25.

First, may I state that insofar as the present Immigration and Naturalization Act is concerned, I am in vigorous support of the chief objections to this law. At no time in the history of our Nation has there been a more desperate need, for the sake of preservation of civilization, to resolve misunderstandings, fears, and distrust among the peoples of the world. We are gripped by awareness that it is these tensions which have spurred nations in the race for military supremacy in atomic warfare.

Over and over again, in this critical period of world history, America has re-avowed its concepts of fairness and standards of decency; its faith in the dignity and worth of all men. We have reaffirmed our faith in the principles of our Declaration of Independence, and to uphold these principles are now, in this Congress, considering the issue of maintenance of Reserve Armed Forces to protect our way of life, our Nation—homes and families—in their right to freedom and equality.

Yet these contentions, backed up by thousands and thousands of American dollars invested in programs of economic assistance to fellow-nations, in channels of communications—radio, press and goodwill ambassadorships—that we may make our American way of life and the basic concepts of our form of Government made known to propagandized and enslaved peoples of the world, are contradicted by one of the most important laws of a land which proclaims:

Give me your tired, your poor,
Your huddled masses, yearning to breathe free,

The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,

I lift my lamp beside the golden door.

I do not hesitate to say that there is an apparent keen bipartisan awareness of those contradictions. Former President Harry S. Truman saw them in his veto of present immigration legislation. The present administration's awareness of them was made known in campaign pledges promising remedial action.

The very title of title II, chapter I, of our present immigration law is a contradiction to American concepts in its statement "Annual Quota Based Upon National Origin." It is a provision

which discriminates against certain peoples because of national origin, color, and religion. In addition, the quota is based upon statistics concerning the number of inhabitants in the continental United States in 1920, not withstanding the fact that well before November 11, 1941, concepts concerning unified relationships in foreign policy were revolutionized.

In its administrative features, its vestment of wide discretionary powers within the hands of one official, the present act withholds from its guests and those who proclaim their accord with the American concepts, equal protection of the law. It subjects them as has already been discovered to the possibility of imprisonment without charge of crime.

In addition, the act contains unnecessary restrictions and penalties against individuals. These are but the major objections to this plan.

The bill which I am sponsoring today is one originally introduced by the Honorable EMANUEL CELLER.

Through it the national origins quota system would be eliminated and in its stead our Nation would establish in its book of law its basic policy of acceptance of persons without regards to race, color, national origin, or religion. Preference groups would be established with regard to purpose—as family unification, occupational preference, national interest preference—rather than with regard to national origin and would establish a unified quota system based on 1950 census, with minimum and maximum percentages set equally for all countries.

The bill would eliminate insubstantial ground for revoking or denying citizenship and arbitrary grounds for denying admission. It would make clear distinctions in requirements for entry between aliens seeking permanent residency and visitors coming for other purposes.

We, who form the Congress of the United States, that governmental body which is to represent, reflect, and uphold the principles of government under which our Nation found its freedom from oppression, under which it rose to its present status of world leadership must uphold our own integrity and exhibit openly our sense of moral responsibility by erasing from our books a law which is not in keeping with American faith. I urge this Congress to take swift action to demonstrate its bipartisan faith in the American way of life by working for and voting for the passage of the measure which I have presented.

The second bill which I am introducing would amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from 75 cents to \$1.25. In our program of fostering economic security, we must give our attention to domestic affairs. The minimum wage under Federal law of 75 cents per hour was established in 1950. In the 5 years since that time there has been an acknowledged substantial increase in the cost of living and in the average hourly earnings in many of the Nation's industries. The increase of the minimum hourly wage, in keeping with the economic growth of our Nation, would assist

those workers in areas where recognition has not been given to increasing costs. Such an increase in these areas would have, in increased spending, its beneficial effect upon the Nation's total economy.

I urge the Congress to adopt this measure for a minimum hourly wage of \$1.25 as that figure adequate to meet present economic standards.

Labor-Management Relations at Morrison-Knudson Co., Inc., Boise, Idaho

EXTENSION OF REMARKS

OF

HON. HERMAN WELKER

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, March 10, 1955

Mr. WELKER. Mr. President, the State of Idaho, which I have the honor in part to represent, is indeed proud of the world's largest construction engineering firm, namely, the Morrison-Knudson Co., Inc., and its subsidiary corporations, which have done great work not only in the United States but also, I dare say, in almost every country on the face of the globe.

In these days, when we hear so much criticism of those who have made free enterprise work, when we hear them called materialists and industrialists and haters of labor, when we hear it said that management cannot get along with labor, I am moved by an article which I read in the March 1955, issue of *The EM-Kayan*, official publication of Morrison-Knudson Co. This company, incidentally, has the finest labor-management relationship that it has been my privilege ever to have observed. If more persons would pay attention to the profound remarks made by the president of the Morrison-Knudson Co., Mr. Harry W. Morrison, I feel certain there would be less bickering between labor and management.

It was my privilege as a young boy to have seen the beginning of what is now a giant corporation. I saw it grow from humble beginnings to be the largest company of its kind in the world.

Listen now, Mr. President, to the words of the president of Morrison-Knudson Co., when he speaks not only to the laboring man, but also to supervisors and other persons.

I read from his statement in the March issue of the company's magazine:

The company's continuing investment in accident insurance, safety supervision, and safety equipment is substantial; but no amount of mere money can be measured against the life of a man carelessly lost—as any widow will testify. Time lost in a hospital bed is never recovered by the employee or the company.

Mr. Morrison closes with this exhortation:

Keep alert to keep alive. Safety is no accident.

I have never heard more profound or finer words addressed to labor or management.

I ask unanimous consent that the entire message of President Harry W. Morrison, of the Morrison-Knudson Co., Inc., be printed in the *RECORD*.

There being no objection, the message was ordered to be printed in the *RECORD*, as follows:

PRESIDENT'S MEMO—SUBJECT: PASTE THESE SLOGANS IN YOUR HARD HAT

No more important advice that I know of can be constantly urged upon the construction men of M-K than is expressed in the blunt but realistic catch phrase: "Keep alert to keep alive."

Through the years, each month's back cover of this magazine (except our annual New Year's covers) has illustrated an actual situation on an M-K job, portrayed by our own cartoonist as an example of unsafe performance that has caused a serious accident. Please read and absorb these messages, gentlemen, and remember especially the ones that apply to your own work or the work of men under your supervision.

The management is proud of the fact that for several years our safety records have progressively improved and are generally better than the national averages for comparable operations. We are delighted with frequent reports printed in the *EM-Kayan* safety column of awards made by Government engineers to M-K jobs for outstanding safety performance. These Government agencies and, likewise, private owners for whom we work are increasingly conscious of the good or bad safety reputations of the construction jobs they authorize.

The company's continuing investment in accident insurance, safety supervision, and safety equipment is substantial; but no amount of mere money can be measured against the life of a man carelessly lost—as any widow will testify. Time lost in a hospital bed is never recovered by the employee or the company.

Our earnest appeal to every thinking man of M-K—and I trust we have no others—is to memorize these two easy slogans and keep them in mind until you are ready for retirement at a ripe old age: "Keep alert to keep alive," and "Safety is no accident."

H. W. MORRISON.

A Bill To Authorize Issuance of a Stamp To Honor Amelia Earhart

EXTENSION OF REMARKS

OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. MACDONALD. Mr. Speaker, as the Congressman from the Eighth Congressional District of Massachusetts, I today introduced a bill in Congress which authorizes the issuance of a commemorative stamp in honor of, and bearing the likeness of, Medford's own Amelia Earhart.

While it may be truthfully said that Amelia Earhart was not born in Medford but rather in Kansas on July 24, 1898, still we citizens of Massachusetts and particularly those proud citizens of Medford have as great a claim to Miss Earhart not only because she made her home here for many years but, as a matter of fact, we are further proud of the fact that her mother and her sister still reside in our district in the city of Medford.

Amelia Earhart is recognized as the most outstanding of all aviatrix. From the time of her first flight in 1920 until the cruel Pacific wave tops reached for her gallant spirit on July 7, 1937, there was never for her any music quite like the cadence of the skies with its unbounded mysteries to be discovered. Miss Earhart was the first woman to fly the great expanses of both the Atlantic and the Pacific Oceans. She was the first woman to reach the height of 14,000 feet, and one of the first American fliers of either sex to experiment with air-cooled engines, which later proved so valuable in our Nation's hour of need. In fact, Amelia Earhart is rightfully acknowledged as the supersaleswoman of our great aviation industry. She slogged out distance records, pioneered the autogiro, tested experimental planes and engines, gave hundreds of young enthusiasts their air instruction, boosted air travel with learned articles and thousands of lectures.

All men admired her for her femininity and good sportsmanship. All women warmed to her modesty, her championship of careers for their daughters. She was showered with honors and decorations, was feted by royalty, mobbed whenever and wherever she appeared in public. She was the best known woman of her day, and with it all her head remained unturned and she was the sweet epitome of gentle womanhood that we all look up to and admire.

Few women have been able to contribute so much to their country in such a short time as Amelia Earhart. Every day we see more clearly the outstanding contributions that she made to the happiness, the progress, and the welfare of the American people and to the strength and security of our Nation. Men and women everywhere cling in their sorrow to her unconquerable courage and selfless devotion in building American aviation. There is now no question that she, too, gave her life in our Nation's and humanity's war for freedom of all people. It is to be hoped that the commemorative stamp will be issued as it will pay tribute to Amelia Earhart, a truly remarkable woman and a real American, and keep immemorial the services she so unselfishly gave our country, thereby encouraging thousands of American young women in their efforts to make this country even a greater place in which to live.

Westinghouse Annual Science Talent Search

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, March 10, 1955

Mr. WILEY. Mr. President, recently there was held in the Nation's Capital the award dinner of the Annual Science Talent Search conducted by Science Service throughout the Nation as a means of en-

couraging the interest of young people in a scientific career.

Naturally, I was particularly pleased to note that a fine young lady from my own State, Miss Kathleen Hable, aged 18, of Loyal, Wis., was awarded the second highest honor.

But, irrespective of that, I pay tribute to the great job which is being done by the Science Clubs of America, an activity of Science Service, whose noted director is Mr. Watson Davis.

Officers of Science Service are: Dr. Leonard Carmichael, president, secretary of Smithsonian Institution; Mr. Charles Scripps, vice president, chairman of board of E. W. Scripps Co.; Mr. O. W. Riegel, treasurer, director, Washington and Lee School of Journalism.

Science Service itself is a nonprofit corporation with trustees nominated by the National Academy of Sciences, the National Research Council, the American Association for the Advancement of Science, the E. W. Scripps estate, and the journalistic profession.

By means of the science clubs, which it sponsors—15,000 clubs in the United States and abroad, including more than one-third of a million boys and girls—we are getting our youngsters to start in high school on the adventuresome paths of physics, chemistry, astronomy, biology, geology, and all the innumerable other phases of modern science.

Also, by means in particular of the science fairs, 70 of which are affiliated, including the one in my own science-minded State, Americans can participate at the grassroots.

On April 15, 16, and 17, there will occur at Brooks Memorial Union, Marquette University, the Southeast Wisconsin Science Fair, sponsored by Marquette and the Milwaukee Journal. Director of the fair is Father L. W. Friedrich, and working with him is an outstanding group of civic, industrial, educational, labor, engineering, and other leaders who are going to make this fair a grand success, I am sure. The National Science Fair winners will be selected at the nationwide competition taking place in Cleveland on May 12 to 14.

I am sure, too, that next year there will be still more science fairs affiliated in the national competition, and I am wishing every success for the continued flourishing of this grand concept.

Increasingly, our Nation is aware of the dangerous shortage of scientists and of the necessity of expanding their ranks. The Westinghouse talent search is one vital means of achieving this fine objective.

In the March 1, 1955, issue of the New York Times magazine there appeared an article describing the meeting by the young science talent winners with the President, and referring to the fine address which was delivered at the award dinner by Assistant Secretary of Defense, Donald A. Quarles. I ask unanimous consent that the article be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

Mr. LANGER. Mr. President, reserving the right to object—and I shall not

object—I should like to ask a question. Is it not true that a North Dakota girl received the first prize?

Mr. WILEY. I think the Senator is correct. I am glad the Senator is on his toes today, and recognizes that while the folks in North Dakota may not obtain ambassadorships, occasionally they win first prize.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALLENTOWN BOY IS SCIENCE VICTOR—CHOSEN FROM FINAL LIST OF 40 FOR \$2,800 SCHOLARSHIP IN WESTINGHOUSE CONTEST

WASHINGTON, February 28.—A 17-year-old physicist-mathematician-chemist, Frederick P. Greenleaf, of Allentown, Pa., received tonight the \$2,800 Westinghouse grand science scholarship.

He was chosen from a field of 40 high-school seniors for his method of separating metals by distillation. The method is regarded as widely useful in such processes as refining and atomic fuel production.

Second honor, a \$2,000 Westinghouse science scholarship, was won by Kathleen A. Hable, 18, of Loyal, Wis., who submitted "an exacting study in heredity." She traced a widow's peak in a Wisconsin family for 4 generations which included 65 individuals. She found frequency of more than 50 percent in the fourth generation.

Next was Vaughan A. Aandahl, 17, of Denver, a biologist, who brought here a collection of butterflies and moths. He was 1 of 8 contestants who won \$400 scholarships.

OTHER \$400 WINNERS

The others were Thomas S. Briggs, 16, of San Francisco; Charles Jetter Elchman, 17, of Audubon, N. J.; Roald Hoffman, 17, of Woodside, Queens, N. Y.; W. Stanley Marshall, 18, of Nashville, Tenn.; David K. Hergaard, 18, of Princeton, N. J.; James E. Potter, 17, of Rockford, Ill.; and Daniel H. Wilson, 17, of Kansas City, Kans.

The 40 contestants, 32 boys and 8 girls, visited President Eisenhower at the White House during the day.

Instead of making a speech to them he asked them questions about their projects. In his informal chat he said that he thought there should be more junior colleges in the country.

Tonight's awards in the Westinghouse Annual Science Talent Search were made at a banquet. Donald A. Quarles, Assistant Secretary of Defense, said in an address that the talent search touches on the security of all of us.

"Like it or not," he declared, "we are in a race for technological supremacy with Communist world and this science talent search has a direct bearing on the outcome of this race."

INCENTIVES IN UNITED STATES STRESSED

He asserted that the Soviet Union was now "graduating well-trained scientists and engineers at more than twice the rate we are in this country." But, he added, because of our freedom and incentives "their pool would have to be considerably larger before it equalled the effectiveness of our own."

"Nevertheless, these statistics must give us pause," he continued. "We certainly can no longer take our superiority and military technology for granted."

He noted that the President had sent to Congress a plan to modify and expand the Selective Service Act and to revamp the National Reserve System. He declared that the training and use of scientists and engineers was an important part of the President's plan and that it included research grants and special scholarships.

He told the young scientists that work like theirs stimulated the interest of young people in professional careers in the physical sciences and engineering.

He closed by asserting that success against communism would depend on moral fiber as well as scientific skills.

In Favor of Bill H. R. 4720 To Provide Incentives for Members of Armed Services by Increasing Certain Pay and Allowances

**EXTENSION OF REMARKS
OF**

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. WOLVERTON. Mr. Speaker, I am greatly pleased that the House Committee on Armed Services has reported favorably H. R. 4720, a bill to provide incentives for members of the Armed Forces by increasing certain pays and allowances.

The purpose of the bill is to encourage continued service so as to avoid the tremendous turnover of personnel that now prevails in the armed services.

The President, in a message to Congress on January 13, 1955, set forth with convincing and cogent reasons the necessity and advisability of passing legislation that would encourage officers and enlisted men to continue in the service on a career basis in order to obtain maximum usefulness from the skills and leadership which are achieved after long and costly training.

When the type of service that is now required of our men, whether they serve on land, sea, or in the air, is considered it becomes readily apparent that increasing mechanization and complexity of defense forces as stated by the President in his message make technical skills and a wide background of experiences vastly more important than ever before.

All of this is sufficient in itself to justify the passage of the bill now before us. But in addition thereto is the fact that during 1954 the armed services experienced one of the lowest reenlistment rates in the history of the Nation. This applies to every branch of our services.

The situation with regard to officers is equally alarming. The report submitted by the Armed Services Committee of the House in support of this legislation has given the detailed figures. It confirms the general statement that I have made that the situation is alarming.

Not only does the lack of reenlistments in sufficient numbers justify the passage of legislation of this character as a means, we hope, of correcting that situation, but the cost involved in training service personnel reaches such proportions as to make it necessary to adopt some means of making the services appealing enough to incline men to remain in service and thereby diminish the cost of training programs for additional men. It is known, as the report sets forth, that each man who enters the armed services

and undergoes basic training and up to the time of assignment to his first unit, involves approximately 6 months, costs the Government \$3,200 in pay, allowances, subsistence, clothing, and overhead directly chargeable to the trainee together with the costs chargeable to the trainers. Thus, if the reenlistment rate could be increased by only 100,000 individuals in the year 1955, the savings cost alone for replacements would be tremendous and most worthwhile.

To increase the number of reenlistments the present legislation limits the pay increases to officers with 3 years and over of service, and enlisted personnel with 2 years and over of service. Thus it can be seen that the objective is solely and entirely to encourage officers and men to continue in the service. However, I am personally of the opinion that it would have been proper under existing circumstances to allow some increase for enlisted men and their dependents. We are all familiar with the financial hardships that are created when a father, or a son supporting his aged parents, is called into service. While I would have liked to see the bill grant some help to these whom I have just mentioned, yet I am aware of the necessity of the bill as presented and, accordingly, it has my approval and support.

Interest Grows in Copyright Factfinding Commission

EXTENSION OF REMARKS OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. THOMPSON of New Jersey. Mr. Speaker, I introduced on January 20 a bill, H. R. 2677, creating a Federal commission to study the copyright laws and to make recommendations for their revision," and set forth the background of this proposal in the CONGRESSIONAL RECORD of that date. On March 2, the distinguished Senator from North Dakota, WILLIAM LANGER, introduced a companion measure, S. 1254, in the Senate.

There has been a growing interest in this proposal for a study commission, and I am pleased to be able to include here the following items as evidence of that interest:

[From Billboard magazine of March 12, 1955]

FACTFINDING HEATS UP

Although the habits of Congress are a bit difficult to understand—as when a Senator and Congressman introduce one another's conflicting bills—the pattern of events during the past 2 weeks indicates factfinding is gaining strength.

The original advantage enjoyed by the licensing agencies, an advantage derived from the almost unprecedented organized strength behind the Kilgore bill, is slowly being dissipated. The gap is narrowing not so much because of defensive measures on the part of the jukebox industry, but because the legislators are becoming more aware of the tremendous complications involved. They are learning that a lot of

missing facts must be amassed before conclusions can be drawn.

That such an awareness should crystallize is inevitable. It develops as more and more people become cognizant of the opinions of unbiased copyright experts, such as Prof. Walter J. Derenberg, professor of law at New York University and a member of Attorney General Herbert Brownell's antitrust committee, and Prof. Benjamin Kaplan, of the Harvard University School of Law.

There is no black or white, right or wrong to the copyright problem. It is not as simple as that. Congress, for over 30 years, has unsuccessfully tried to come up with the answer. The Kilgore bill is exactly the same as those which stymied previous legislatures.

Let's be done with the time-consuming, misguided effort. Let's get into the basic economics of the problem, the basic economics of the music business. Let factfinding go beyond the licensing agencies, beyond the Music Operators of America, to the people who are directly involved—the operators, writers, and publishers.

NEW YORK UNIVERSITY,

SCHOOL OF LAW,

New York, N. Y., February 23, 1955.

The Honorable FRANK J. THOMPSON, Jr.,

House of Representatives,

Washington, D. C.

DEAR CONGRESSMAN THOMPSON: As you may know, our law school has done some pioneer work in the field of copyright and we are currently conducting a seminar in advanced problems on literary and artistic property which is attended by some 40 graduate students. Your bill, H. R. 2677, proposing a Federal fact-finding commission to study revision of the copyright law, has stimulated a great deal of discussion here and I am taking the liberty of suggesting to you some thoughts that have occurred to me in this connection.

I have been a member of the Attorney General's National Committee to Study the Antitrust Laws, which is about to submit its report to the Attorney General within the next 2 or 3 weeks. This committee consists of some 60 experts in antitrust law representing both private and public points of view, who were appointed by the Attorney General upon recommendations made by the co-chairmen of the committee, the Honorable Stanley N. Barnes, Assistant Attorney General and head of the Antitrust Division of the Department of Justice, and Prof. S. Chesterfield Oppenheim, of the University of Michigan Law School. No congressional action preceded the appointment of the committee and its work was financed by the appropriation available to the Department of Justice. The committee came into existence simply upon a suggestion by the Attorney General to President Eisenhower.

Some of us believe that a similarly constituted committee to revise our copyright law might best serve to bring about a much needed revision of our entire statute. In view of the many technical aspects of this field of the law, it may be more advantageous to have a committee appointed under the auspices of the Librarian of Congress which would not consist primarily of Congressmen or Senators but of copyright experts on both our domestic and international copyright law. Such a national committee might well lay the necessary groundwork for subsequent congressional action.

Similar committees of experts have handled similar assignments in Great Britain and Canada with outstanding success as evidenced by the Report of the Copyright Committee (Board of Trade), London (October 1952). Since I have gained the impression from reading some articles in the trade papers, Billboard, etc., that you are interested in getting reactions to the bill which

you have proposed, I am taking the liberty of offering these thoughts to you.

Very sincerely yours,

WALTER J. DERENBERG,
Professor of Law.

P. S.: I am enclosing, as a matter of possible interest and information, a notice of the current seminar and an outline of the cases and materials used in my course on copyright at New York University School of Law.

MARCH 8, 1955.

Prof. WALTER J. DERENBERG,
School of Law, New York
University, New York, N. Y.

DEAR PROFESSOR DERENBERG: Thank you very much for your very kind letter regarding the bill I have introduced to establish a commission to study the copyright law. You were quite correct in assuming that I would like to have comments on the bill from interested and qualified persons such as yourself.

I have been giving your suggestion that we set up the Commission under the Librarian of Congress considerable thought. It would seem to me that the bill as it stands at present would accomplish the ends you state in your letter. This bill would empower the President to appoint 7 of the 13 members of the Commission. He would thus be able to appoint men with outstanding reputations in the field of copyright law either from the Copyright Office and other branches of the Government and/or eminent members of the bar. In addition, the Commission would be composed of 3 Senators and 3 Representatives. These members would be taken from the membership of the respective Judiciary Committees of the two Houses. Since any revision of the copyright law would necessarily have to be passed by the Congress, it seems desirable to have some Members represented on the Commission.

This, at any rate, is the way the matter appears to me at the present time. If you have any further thoughts on the matter, I would greatly appreciate hearing from you. In any case thank you again for your interest.

Cordially,

FRANK THOMPSON, Jr.,
Member of Congress.

[From Billboard magazine of March 12, 1955]
GETS IN COPYRIGHT ACT—NYU PROFESSOR
SUGGESTS FACT-FINDING GROUP SIMILAR TO
ANTITRUST ORG

(By Ben Atlas)

WASHINGTON, March 5.—A new wrinkle in the copyright fact-finding issue on Capitol Hill was added this week when Walter J. Derenberg, professor of law at New York University and a member of Attorney General Herbert Brownell, Jr.'s, antitrust committee, in a letter to Representative FRANK J. THOMPSON (Democrat of New Jersey) suggested that possibly a fact-finding group similar to the Attorney General's antitrust committee might perform the task specified by THOMPSON in his bill for a Federal Commission to study revision of the copyright law.

Professor Derenberg informed THOMPSON that proposed legislation for creation of a Federal factfinding commission "has stimulated a great deal of discussion at New York University's Law School which," Professor Derenberg said, "has done some pioneer work in the field of copyright" and is currently holding a seminar on advanced problems on literary and artistic property.

DERENBERG'S LETTER

Derenberg's letter went on to state:

"I have been a member of the Attorney General's national committee to study the antitrust laws, which is about to submit its report to the Attorney General within the

next two or three weeks. This committee consists of some 60 experts in antitrust law, representing both private and public points of view, who were appointed by the Attorney General on recommendations made by the cochairman of the committee, the Honorable Stanley M. Barnes, Assistant Attorney General and head of the Antitrust Division of the Department of Justice, and Prof. S. Chesterfield Oppenheim, of the University of Michigan Law School. No congressional action preceded the appointment of the committee and its work was financed by the appropriation available to the Department of Justice. The committee came into existence simply upon a suggestion by the Attorney General to President Eisenhower.

"Some of us believe that a similarly constituted committee to revise our copyright law might best serve to bring about a much-needed revision of our entire statute. In view of the many technical aspects of this field of the law, it may be more advantageous to have a committee appointed under the auspices of the Librarian of Congress which would not consist primarily of Congressmen or Senators but of copyright experts on both our domestic and international copyright law. Such a national committee might well lay the necessary groundwork for subsequent congressional action.

"Similar committees of experts have handled similar assignments in Great Britain and Canada with outstanding success, as evidenced by the report of the Copyright Committee (Board of Trade), London, October 1952. Since I have gained the impression from reading some articles in * * * Billboard, etc., that you are interested in getting reactions to the bill which you have proposed, I am taking the liberty of offering these thoughts to you."

CONSIDERATION UNLIKELY

It appears unlikely at this time that Professor Derenberg's suggestion of a Library of Congress committee on copyright will get serious consideration in Washington. Nevertheless, the suggestion was indicative of the awakening of interest, particularly on law campuses, in the fact-finding proposal. Previously, Prof. Benjamin Kaplan, of the Harvard University Law School, in a communication to Representative THOMPSON, voiced interest and indicated that the subject would be taken up by the Harvard Law School faculty (the Billboard, February 26).

Professor Derenberg enclosed with his letter a schedule of New York University Law School's copyright seminar. The seminar course is directed by Professor Derenberg "with the cooperation," he explained, "of outstanding experts in various specialized branches of copyright law." These experts include the following, several of whom are familiar figures on Capitol Hill as supporters of legislation in previous Congresses to end the copyright law's exemption of jukebox royalty payments.

The seminar roster of experts includes:

Arthur Fisher, registrar of copyrights, Library of Congress; Herman Finkelstein, general attorney, American Society of Composers, Authors, and Publishers; John Schulman, general counsel, Authors' League of America; Edward E. Colton, negotiator for the Dramatists' Guild; Edward A. Sargoy, former chairman, copyright committee, American Bar Association; Morris Ebenstein, legal department, Warner Bros. Pictures, Inc.; Samuel W. Tannenbaum, of Johnson & Tannenbaum; Robert J. Burton, vice president and resident counsel, Broadcast Music, Inc.; Charles B. Seton, of the New York Bar; Philip Wittenberg, author of the Marketing of Literary Property; Prof. Harry G. Henn, of Cornell University Law School; Joseph A. McDonald, treasurer, National Broadcasting Co.; and John P. Allison, formerly editor, Tax Barometer.

CI—169

Professional Soldiers Plus Incentives Equal Top Morale

EXTENSION OF REMARKS OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. LANE. Mr. Speaker, the people of the United States depend upon professional soldiers, sailors, marines, and airmen to protect and defend our Nation. The officers and noncoms are the backbone of our Military Establishment.

They have the special knowledge and experience and steadiness that cannot be drafted suddenly from civilian life in time of emergency.

We need them every day and every hour to handle complex equipment in farflung stations.

Devoted to honor, duty, country. Always faithful. Ready to give their lives if need be, and asking so little in return. Only respect and consideration.

The disciplined pride of a military man suffers severely when he and his dependents are not reimbursed for the sacrifices that they make by volunteering to serve their country.

At a time when pay and fringe benefits are increasing for civilians, we have seen the status of our service personnel slip farther and farther behind the average standard of living.

Before this pay-raise bill was passed, a master sergeant with over 18 years of service, received only \$275.18 per month.

Only \$3,300 a year for the highest non-com.

Short rations, at best.

Small wonder that the military service has ceased to be attractive.

We have made it so because of our neglect—our failure to consider the human factors.

The most effective and costly military equipment in the world will not buy us protection if the men to operate the equipment are amateurs, or if their hearts are not in their jobs.

A military pay increase bill will serve to keep the best-trained men in uniform. That is, if it is supplemented by further legislation to increase dependent medical care, survivors' benefits, and to provide for adequate housing.

The wives and children of professional military men also serve their country in ways that merit our understanding and our gratitude.

The vote in the House—399 for and only 1 against—reflects the overwhelming opinion in Congress that our career men in uniform are deserving of much better treatment than we have accorded them in the past.

We take this action not only for compelling economic reasons, but as a means of expressing to the men and women who have sacrificed the freedoms, the comforts, and the moneymaking opportunities of civilian life in order to dedicate themselves to the protection of all—our admiration and our deep respect.

Those who serve their country before themselves earn the highest honor and consideration.

It is a privilege for Congress to pass—with flying colors—the Career Incentive Act of 1955.

Hawaiian-Alaskan Statehood?

EXTENSION OF REMARKS OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. PILLION. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include my statement before the House Interior and Insular Affairs Committee on February 14 in relation to Hawaiian-Alaskan statehood.

The statement follows:

HAWAIIAN-ALASKAN STATEHOOD?

INTRODUCTION

Mr. Chairman, the controversial problem of statehood for the Territories of Hawaii and Alaska continues to challenge the wisdom of this Congress. My remarks shall pertain to bill H. R. 2535, which proposes to grant statehood to both Territories and is now under consideration by this committee.

THE IMPORTANCE AND THE FINALITY OF STATEHOOD

This momentous issue of statehood compels us to give our most serious attention to its consequences. We are confronted with a measure that has vast implications relating to the internal affairs of this Union. We must also concern ourselves with the finality of whatever decision we may make.

No other problem will, as vitally, affect and shape our future as statehood. The seriousness of this subject is transcended only by our struggle to survive the Communist holocaust.

The various domestic and foreign problems of this Congress which relate to finance, defense, health, and foreign aid, are of extreme importance. Yet, if we find ourselves in error, our mistakes can readily be rectified by congressional action or by the flexibility of executive power. With one exception, even our Constitution and its amendments may be amended to conform with changing conditions or attitudes. The most recent example of this change is the repeal of the 18th amendment.

The one exception to the right to change our Constitution applies to the present proposal. Article V of our Constitution provides that no amendment may be made to this clause "and that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

The principle that no State can secede from this Union is established. The corollary principle that this Nation cannot divorce any State from this Union or restore it to the status of a Territory is equally accepted. Thus, the grant of statehood becomes an irrevocable act.

The finality of our decision as to statehood gives us cause to approach this matter, not with a lighthearted generosity, but rather with a somber realization and precaution that any mistake will burden us for the life of this Republic.

THE EMOTIONAL, IRRELEVANT, AND MINOR ISSUES

There have been so many issues injected into this debate that it has become difficult

to see the forest for the trees. Almost every conceivable argument has been presented pro and con to a degree that has confused and confounded rather than enlightened those who may be interested.

This appears a suitable time to attempt to clarify and place the arguments into their true political perspective. The leading arguments in favor of statehood which are grouped together here as being either emotional, irrelevant, or of minor consequence are:

- (a) Americanism and military service.
- (b) The psychological impact of statehood upon the Asiatic peoples.
- (c) The references to precedent in favor of statehood.
- (d) Partisan political considerations.

THE EMOTIONAL APPEAL OF AMERICANISM AND MILITARY SERVICE

Every informed person will acknowledge the courage and the sacrifices of the Hawaiian veterans in both World War II and the Korean conflict. This Nation is eternally indebted to them and in an equal degree to all other American veterans who fought so gloriously in those wars.

The proponents of statehood have cited individual cases of heroism on the part of Hawaiian soldiers. They have made comparisons of the Hawaiian casualties and the numbers in military service as against the casualties and the number of servicemen from the United States as a whole.

The Alaska Statehood Committee has published this claim:

"In two world wars and in Korea they have fought—in number exceeding the national per capita average—and by so doing have written a war record second to none in the Nation."

The Library of Congress has furnished the following table of inductees for World War II:

State	Population, 1945	Draftees in World War II
New Hampshire.....	459,000	32,430
Montana.....	477,000	38,453
Idaho.....	507,000	38,612
Hawaii.....	460,000	28,008
Alaska.....	79,000	3,482

(Hawaii had 8,769 additional enlistees. No figures are available for other States.)

These figures do not substantiate claims of superiority in the number of citizens from Hawaii and Alaska who served in World War II.

The statements regarding casualties and bravery cannot support the inference that these soldiers were more loyal and more brave than the veterans from the other areas of this country. I defend all segments of this country from the innuendo that any group or area of our people have a monopoly upon patriotism or bravery. There is no scientific thermometer that can measure the warmth of devotion for this great country.

The sacrifices on the battlefield do not constitute legitimate political, economic, or social premises for the admission of these territories to statehood. These highly emotional appeals could have been, most properly, left out of this debate.

THE IRRELEVANCE OF FOREIGN PSYCHOLOGICAL IMPLICATIONS

The proponents of statehood claim that statehood would create good will for the United States in the Pacific area and would avoid for us the stigma of colonialism.

The question of statehood is solely and wholly a domestic problem of our internal affairs. It is a strange theory that would permit foreign opinion to influence or decide the conduct of our domestic affairs. The Communist line of charging us with colonialism cannot be increased in volume nor will it be softened by any act of compliance.

We should not fear to disappoint those enemies. Our foreign friends need no explanations.

The psychological impact of statehood upon foreign peoples is irrelevant and deserves no consideration here.

The height of irrelevancy was attained by a former governor of one of the Territories. He advanced as an argument in favor of statehood, "the delectation of visitors, the sweetness of Hawaiian music, and the rhythm of its dance." Certainly, the muscular gyrations of the Hula dance is far afield from the crux of the statehood problem. This sentimentality borders upon the frivolous.

THE PRECEDENTS FOR STATEHOOD

The proponents of statehood rely extensively upon the use of precedent to lend validity to their claims.

The Northwest Ordinance was adopted under the Articles of Confederation in 1787. This Act, providing for the admission of that Territory to statehood, is cited as precedent and as the source of the inherent right of every Territory to become a State. This precedent is invalid for the following reasons:

1. The Articles of Confederation has been superseded completely by the Constitutional provisions relating to the admission of new States.

2. The Northwest Ordinance was limited in its application to the Northwest Territory.

3. The framework of the Confederacy, the division of powers and the scheme of representation was totally different from our present constitutional Government.

References by the Supreme Court to incorporate Territories as "Inchoate" and "embryo" States are mere dicta and an attempted intrusion into the field of Congressional legislative authority and responsibility.

The admission of other States is referred to as precedent for the admission of Hawaii and Alaska upon the basis of equal representation in the United States Senate. The last State to be admitted was Arizona on February 14, 1912.

Following the admission of this 48th State, the 17th Amendment was adopted by final ratification on April 8, 1913. The mode of selection of Senators was altered from that of choice by the State legislatures to that of election by popular suffrage. This change of election of Senators has resulted in representation by the Senators of the people of the States as individuals in substitution for representation by the Senators of their respective States collectively and in their corporate capacities.

The 17th Amendment created a new concept of Senatorial representation. No State has been admitted under these fundamentally altered conditions.

Thus, the admission of other States furnishes no valid precedent for the admission, today, of Territories upon the same basis of representation in the United States Senate.

PARTISAN POLITICAL IMPLICATIONS

The Democratic National Party platform contains a plank favoring immediate statehood for both Hawaii and Alaska. The Republican National Party platform favors immediate statehood for Hawaii and statehood for Alaska under an equitable enabling act. However, no responsible Republican Party spokesman has, as yet, given us an adequate detail explanation of the meaning of the term "equitable enabling act."

In the 1952 elections, the Republican Party retained control of the Hawaiian Territorial Legislature by the election of 8 Republican Senators to 7 Democrats. In the House there were 19 Republicans elected to 11 Democrats.

In the same year, Alaskan Republicans won the Alaskan Senate by seating 11 Republicans and 5 Democrats. In the House, there were 20 Republicans elected to 4 Democrats.

Based upon these returns, it was predicted that in the event of statehood, Hawaii would

elect 2 Republican Senators and that Alaska would possibly elect 1 or 2 Republican Senators.

Two years ago the Republican administration attempted to pass the bill giving statehood to Hawaii and kill the Alaskan statehood bill. This writer opposed the immediate admission of these States either severally or jointly. The Republican Party subjected itself to the charge of attempting to gain partisan political advantage in its attempt to support the Hawaiian statehood bill alone.

In 1954 the political picture reversed itself. The Hawaiian Legislature was won by the Democratic Party for the first time in the history of that Territory. The Democratic Party swept both Houses overwhelmingly. The Democrats won a 9 to 6 majority in the Senate and a 22 to 8 majority in the House.

A similar sweep was gained by the Democrats in the Alaskan Territorial Legislature. There, the Democrats gained control of the Senate by winning 12 seats to 4, and in the House 21 seats to 3.

Another political factor is the successive drop in the plurality of the Republican Delegates from Hawaii. The Republican pluralities for that office are as follows:

Year:	Republican plurality
1948.....	52,000
1950.....	31,000
1952.....	9,000
1954.....	890

¹ Approximate.

² Official.

Based on the 1954 election returns, it appears that, in the event of statehood, Alaska would surely elect 2 Democrat Senators and Hawaii would be likely to elect 2 Democrat Senators.

It is most obvious that the passage of the joint Hawaiian-Alaskan statehood bill by the Congress would place the Republican Party in a difficult position. The President would be placed in a political dilemma. By approving statehood for both Territories, he would risk the probability that these two Territories would return 4 Democrat Senators. If he vetoes statehood, he assumes the political onus of defeating a measure of popular favor.

Partisan politics is a transitory consideration. This issue ought to be decided upon American principles having a true political validity. The solution should pass the test of what will be permanently just for the peoples of both majority and minority parties of the whole Nation.

GOVERNORS' CONFERENCE REJECTS STATEHOOD

At the hearing before this committee on February 4, 1955, the impression was left that the Governor's Conference endorses statehood for both Hawaii and Alaska. This is not so.

Resolutions were adopted by the Governors' Conferences, for 6 years from 1947 to 1952, favoring statehood for Hawaii and Alaska.

On March 2, 1953, the writer addressed communications to each of the 48 governors indicating the prospective loss of voting power for the people of each State in the senatorial and presidential elections upon the grant of statehood to Hawaii and Alaska. No claim is made that the subsequent failure to endorse statehood is due to these communications.

At the 1953 governors' conference, a resolution favoring Hawaiian statehood was presented. This resolution failed to receive a favorable report. No resolution for either Hawaiian or Alaskan statehood was presented at the 1954 conference. The governors, perhaps, perceived the prospective loss of representation to the peoples of their respective States. Failure to approve statehood resolutions, under these circumstances can be fairly construed to constitute rejection.

COMMUNISM, A MAJOR CONSIDERATION IN HAWAIIAN STATEHOOD

The extensive communistic influences in Hawaii continue to present an alarming condition for both Hawaii and the United States. A careful study of the facts does not give hope that communistic power is on the wane. Communism remains a potent force permeating the economic, political, and social structures of this Territory.

The New York Herald Tribune of June 23, 1953, reported a labor strike by the ILWU on June 22, 1953, in Hawaii. The facts, as reported there, are as follows:

Twenty-four thousand employees on the island went on strike in a mass protest against the conviction of Jack Hall and six other conspirators convicted of plotting to teach and advocate the violent overthrow of the United States Government.

Two thousand of these employees are stevedores, members of the International Longshoremen's and Warehousemen's Union (ILWU), who refused to load military cargo for Korea. Eighteen thousand out of 19,000 ILWU union workers on the sugar plantations joined in this strike. One thousand of these men refused to strike. Four thousand out of 5,000 pineapple workers also joined the strike. One thousand of these men refused to strike.

Now, these men went on strike, not because of any legitimate labor dispute, but in protest against the conviction of these Communists for the advocacy of treason and revolution.

The fact that 1,000 men in the sugar industry and 1,000 men in the pineapple industry refused to join this strike is proof that it was possible to refuse to join in this dastardly demonstration of Communist close-order drill.

Those who refused, a pitiful minority of 2,000, demonstrated their courage and Americanism. The same cannot be said for the other 24,000. The refusal to load military cargo for Korea borders upon sabotage.

If these men went on strike because of threats or pressures, then a condition exists in Hawaii so dangerous that Hawaii should not be granted statehood at this time. If they went on strike willingly because of their sympathy for the Communist convicts and the Communist movement, then this type of citizen does not deserve statehood. This country can do well without their voice and their vote in Congress.

This same union, ILWU, called another strike as recently as last December 1954, while members of this Territorial subcommittee were attending hearings in Hawaii.

The International Longshoremen's and Warehousemen's Union (ILWU) has a membership of 25,000 and dominates unionism in that territory. Its president is Harry Bridges, who is 1 of the top 3 Communist leaders in this country. Jack Hall is the Hawaiian spokesman for Harry Bridges and the leader of that union there.

The unions in Hawaii controlled or infiltrated by Communists have a membership of about 30,000. The names of the Communists and those persons closely related to the Communist Party who occupy positions of power in the unions, union locals and the top organization of the ILWU are contained in the hearings of the House Un-American Activities Committee for the year 1950.

These hearings regarding Communist activities in Hawaii are contained in three volumes and contain a startling revelation of the infiltration of communism into both the ranks of unionized labor and in the political parties. These volumes are proof that the Communist Party controls the ILWU, lock, stock, and barrel.

By means of union devices such as closed shops, union stewards, and grievance committees, it is possible for the Communists to control the employment, lay-offs, firings, and hiring of labor. This control, and the use of cadres of union officials and Communist stooges to propagandize, persuade, and co-

erce, gives the Communists a tight control over the ideology and political action of its members. The individual laborer doesn't have a chance to earn a living or to keep from being maimed by a premeditated "industrial accident" unless he complies.

It is a political axiom that each employee can be counted upon to deliver three votes in a political election. If the ILWU can order 24,000 men to go out on a Communist sympathy strike sabotaging United States military transport, can there be any doubt that they can deliver 50,000 votes to their political choice?

The political objectives of the Communist Party are reported in these hearings. They are:

1. Communists support statehood (p. 1559, pt. 2 of the hearings).

2. Development of a following in the Democratic Party to back Communist causes (p. 1570, pt. 2 of the hearings).

3. Establish legislative caucus to act as pressure group on Democratic Party for Communist objectives (p. 1570, pt. 2 of the hearings).

The fact that statehood for Hawaii is supported by the Communist Party and the ILWU does not per se make this cause wrong or undesirable. However, one can be sure that their support for statehood is not actuated by the same motives for good government as those who sincerely believe that statehood is a just cause. The support of the Communists is based upon their self-interest in advancing the Communist cause and that cause alone.

Can there be any doubt that the Communist Party and the ILWU would not make an all-powerful drive to elect 2 United States Senators in the event of statehood? And it makes no difference to them whether they bear the Republican or Democratic label. By statehood, we not only open the door for 2 Communist-influenced United States Senators, but we actually invite 2 Soviet agents to take seats in the United States Senate.

On June 19, 1953, Jack Hall, ILWU regional director and Communist Party leader was convicted of violation of the Smith Act along with 6 other defendants. A 1954 publication of the Hawaii Statehood Commission cited these convictions as proof of "unalterable and aggressive opposition" of the people of Hawaii to communism. The record of the 1954 election completely refutes this statement.

In the race for the office of mayor of the city of Honolulu, Frank F. Fasi, the Democratic candidate was opposed by Neal Blaisdell, the Republican candidate. During the campaign Frank Fasi charged that Blaisdell was courting ILWU support.

On October 15, 1954, the leading newspapers carried the charge by Frank Fasi, the Democratic candidate, that "The big issue of this campaign is whether a candidate for mayor can be elected without the support of the Communist leaders in Hawaii."

The Honolulu Star-Bulletin, which is an outstanding newspaper of the highest standards, reported on November 1, 1954:

"He (Fasi) has struck out at Governor King and the ILWU leadership."

On November 3, this same newspaper carried the following front page headline:

"ILWU sample ballot supports Blaisdell."

During this campaign, the Republican candidate did not once deny these charges or repudiate and reject ILWU support. The following legal maxim certainly applies to this situation, "When one owes a duty to speak, silence implies consent."

The electorate of Hawaii answered Mr. Fasi's issue by proving that a mayor cannot be elected without the support of Communist leaders. Perhaps, the ILWU support was unsolicited. However, there can be no question that the ILWU support was given with Mayor Blaisdell's knowledge and was accepted without repudiation by him of the ILWU leaders or the Communist principles.

The Honolulu Star-Bulletin made a survey of the Hawaiian election of November 1954 and reported its findings as follows:

"The ILWU endorsed 71 candidates. Of these, 58 won, a batting average of 81 percent."

"In the Senate, 5 ILWU candidates won out of 6 candidates endorsed in contests for 7 seats. There are a total of 15 seats in the Senate."

"In the House, 22 ILWU supported candidates won out of 28 endorsed. There are 30 seats in the House."

"In the county, 32 ILWU supported candidates won out of 38 contests which includes Neal Blaisdell, Republican mayor of Honolulu."

The 1954 election was a complete victory for the ILWU and the Communist Party. They can now exercise either control or a considerable influence over both Houses of the Legislature and the Mayor of Honolulu. This victory is made more impressive by the fact that the ILWU political influence can be exerted in both Republican and Democratic parties.

Mr. Jack Hall not only directed the ILWU political activities but also claimed full credit for the victories of the Republican Mayor of Honolulu and the Democratic victory in both Houses of the Hawaii Legislature. Mr. Hall even offered his advice for the full use of the political power gained by that election.

The secretary of the former mayor made a practice of greeting Harry Bridges at the Honolulu airport when that distinguished Communist arrived there. He sent the Honolulu municipal band to money-raising affairs held to defray the legal defense of the Communists.

The Hawaii Statehood Commission claims that statehood would enable Hawaii to deal more effectively with Communism and the ILWU. On the contrary, statehood would free the Communists and the ILWU from United States control and jurisdiction. They now have the power and could immediately proceed without Federal interference to Socialize and Communize that State.

The atmosphere in Hawaii is one of tolerance, appeasement and encouragement for communism. The burden of proof that it can eradicate communism properly rests with the people of Hawaii. The proof has not been presented. If there is a reasonable doubt as to an extensive communistic economic and political control in Hawaii, then the party to suffer thereby is the United States. The people of the 48 States are entitled to the benefit of possible doubt. Statehood should be rejected now and deferred for an appropriate time when communism no longer threatens the well-being of either Hawaii or the United States.

The 1954 election issues, the political maneuverings and the election results serve as a "Stop, Look, and Listen" warning to us.

THE POLITICAL POWERS OF STATEHOOD

Man's struggle for liberty never stops. That goal is gained in the degree of acceptance of the proposition that all sovereign power rests with the people. Constitutional government is an instrumentality for carrying out this concept of freedom.

Under our system of constitutional representative government, sovereign power can be placed into three broad categories. First, the power inherent to the people. This power can be generally described as all sovereign power that remains after constitutionally conferring such political powers to the States and the Nation as are needed for the attainment of their purposes. Second, the power granted to the Federal Government. In a broad sense, this power is limited to the enumerated political powers granted to the Federal Government under our United States Constitution. The third category is the power reserved to the States. This consists of all the residual political power constitutionally conferred by the people and not granted to the Nation.

In the present discussion, we are concerned with the second and third categories of political power. An analysis of statehood reveals a dual concept.

First: Statehood would grant to the territories the same sovereign and political powers as possessed by other States to conduct the affairs of these areas without Federal supervision or control.

Second: Statehood would grant to the proposed States the power of representation in the Federal Government.

THE POLITICAL POWER TO CONDUCT THE AFFAIRS OF THE STATE

Statehood is not essential for the grant of power to the Territories to enact laws relating to its property, affairs, and government. Congress has entire dominion, national and local, over Territories. It may transfer full legislative powers with respect to local affairs to legislatures elected by the Territories.

Both Alaska and Hawaii now possess general legislative power for these purposes. The major exception in Alaska is the power to legislate over public lands, fisheries, and subsurface resources. Although Congress has reserved the right to disapprove territorial legislation, no law passed by either territory has ever been disapproved by Congress.

The executive power could very well be transferred to the Territories. There could be no serious objection to any necessary extension of judicial powers for these Territories.

However, neither of these Territories appears to seriously want these powers. No reasonable proposal or request has been made to Congress for the reorganization or an extension of the jurisdiction of the Territorial courts.

There appears to be no sincere desire upon the part of the Territories to elect their own governors and to assume executive power.

While this committee has, over the course of years, considered many bills relating to the control of fisheries, minerals, and public lands, it has not yet approved any overall proposal to grant such power to Alaska. On the other hand, neither Territory has ever presented to Congress a comprehensive bill of particulars for an extension of legislative power to enable it to govern its own affairs.

The complaints made by these Territories of a lack of power to administer Territorial matters can be interpreted in either of two ways. Either this committee has failed to give adequate consideration to their needs for additional power or the Territories have failed to present and press for a comprehensive program designed to obtain for them the necessary power to govern. This writer believes that the latter alternative prevails.

It would appear that the concern of the proponents of statehood lies not in their desire or need for additional power to conduct the affairs of the Territories but rather in their drive for representation in Congress and in the election of a President.

THE POLITICAL POWER OF REPRESENTATION IN THE FEDERAL GOVERNMENT

The history of Government is, in essence, a recital of the distributions of power. We are concerned here with an equitable apportionment of legislative and executive power. Statehood would transfer a share of these powers to the proposed States. Their participation in the Federal Government would consist of:

(a) The right to be represented in the United States Senate by two Senators.

(b) The right to participate in the election of a United States President.

(c) The right to be represented in the United States House of Representatives.

ORIGINAL BASIS FOR SENATORIAL REPRESENTATION

The problem of equitable representation in the United States Senate continues to

plague this country since May 1787, when the Constitutional Convention convened.

The historical struggle has been between the smaller States desiring representation on a basis of equality for States (as corporate sovereign entities) and the larger States seeking representation in proportion to population. The plan of giving each State two Senators conform to the pattern of a federation of States while representation in proportion to population conforms to the framework of a national government.

We are concerned today with the question of the political justice and wisdom of equality of representation for newly admitted States in the United States Senate. The plan of equality of senatorial representation by States was adopted for the protection of the States from encroachment by the Federal Government. In furtherance of this purpose, the provision that the Members of the United States Senate be chosen by State legislatures was enacted.

I cite the following statement made in the Constitutional Convention by Delegate Wilson of Pennsylvania:

"The leading argument of those who contend for equality of votes among the States is that the States as such being equal, and being represented not as districts of individuals, but in their political and corporate capacities, are entitled to equal suffrage."

Alexander Hamilton, supporting the adoption of the Constitution, stated in the Federalist, Paper No. 62:

"It (referring to appointment of Senators by State legislatures) is recommended by the double advantage: of giving to the State governments such an agency in the formation of the Federal Government as must secure the authority of the former and may form a convenient link between the two systems."

It seems clear that the plan of representation in the United States Senate was implemented by the provision that the States in their corporate capacities as States and as an organic whole be secured in that right of equality by the grant to them as States to choose their Senators by vote of the State legislatures. The provision for election of Senators by the State legislatures was an integral part of the compromise by which two Senators were provided to the States. The convention would never have agreed upon this principle of Senate representation if that right had not been secured by this mode of selection, that of choice by legislatures.

The 17th amendment of our Constitution, ratified on April 8, 1913, destroyed the reason for the provision that each State shall be entitled to 8 seats in the United States Senate.

STATEHOOD BASICALLY SHIFTS SENATORIAL AND PRESIDENTIAL REPRESENTATION FROM THE 48 STATES TO HAWAII AND ALASKA

Reduced to fundamental terms, statehood for Hawaii and Alaska grants representation in the United States Senate and in the election of the President. In the Senate they would be represented by 4 Senators out of a prospective total of 100 Members. In the electoral college they would be represented by 7 votes out of a prospective total of 535 votes.

The representation proposed for these Territories will be taken from the present representation possessed by the people of the 48 States and shifted to the people of these 2 Territories. This transfer of sovereign power seriously and correspondingly reduces the right of suffrage of the peoples of the 48 States in the United States Senate and in the election of the President.

REDUCTION IN THE SENATORIAL REPRESENTATION OF THE 48 STATES

The admission of Hawaii and Alaska under the present constitutional provision will entitle their residents—628,437 combined—to

4 seats in the United States Senate. The average representation would be 1 Senator for each 157,000 inhabitants. The people of the 48 States, having a population of 152,572,000, represented by 96 Senators, today enjoy the average representation of 1 Senator for each 1,589,000 persons. Thus, Hawaii and Alaska would become entitled to representation in the United States Senate 10 times greater than the average representation of the people of the 48 States. Each voter will have approximately 33 times the power of the vote of the people of California in the United States Senate, 27 times the power of the vote of the people of Illinois, 32 times the power of the vote of the people of Pennsylvania, and 47 times the vote of the people of New York.

A comparison of the voting power of the voters of Hawaii and Alaska (combined) with that of the people of the 48 States in the election of United States Senators is contained in schedule A of the accompanying table:

Tables comparing the prospective voting power of the average Hawaiian-Alaskan voter in the election of United States Senators and a United States President with the voting power of the voters of the 48 States

METHOD OF COMPUTATION

Schedule (A): Population of Hawaii and Alaska (combined) is 628,437 with 4 Senators. 1 Senator for 157,000 residents. Population of Alabama is 3,061,000. 1 Senator for 1,537,500 residents. 1,537,500 divided by 157,000 equals 9.8 representing the average voting rights of the residents of Hawaii and Alaska as compared to 1 vote for voter in Alabama in the election of the United States Senate.

Schedule (B): Presidential electors for Hawaii and Alaska (combined) will be 7 or 1 for each 89,700 residents. Presidential electors for Alabama is 11 or 1 for each 278,000 residents. 278,000 divided by 89,700 equals 3.1 representing the average voting rights of residents of Hawaii and Alaska as compared to 1 vote for the voter of Alabama in the election of a United States President.

State and Territory	Population (1950 census)	Number of presidential electors	Voting power of average Hawaiian-Alaskan voter versus 1 vote for voters of other States for—	
			(A) United States Senate	(B) United States President
Alaska.....	128,643	3
Alabama.....	3,061,743	11	9.8	3.1
Arizona.....	749,587	4	2.4	2.1
Arkansas.....	1,909,511	8	6.1	2.6
California.....	10,586,223	32	33.7	3.6
Colorado.....	1,325,089	6	4.2	2.4
Connecticut.....	2,007,280	8	6.4	2.8
Delaware.....	318,085	3	1.0	1.2
Florida.....	2,771,305	10	8.8	3.0
Georgia.....	3,444,578	12	10.9	3.2
Hawaii.....	499,794	4
Idaho.....	588,637	4	1.9	1.6
Illinois.....	8,712,176	27	27.8	3.6
Indiana.....	3,934,224	13	12.5	3.4
Iowa.....	2,621,073	10	8.3	2.9
Kansas.....	1,905,299	8	6.1	2.6
Kentucky.....	2,944,806	10	9.4	3.3
Louisiana.....	2,683,516	10	8.5	3.0
Maine.....	913,744	5	2.9	2.0
Maryland.....	2,343,011	9	7.8	2.9
Massachusetts.....	4,690,514	16	15.4	3.2
Michigan.....	6,371,706	20	20.3	3.5
Minnesota.....	2,982,483	11	9.5	3.0
Mississippi.....	2,178,914	8	6.6	3.0
Missouri.....	3,954,653	13	11.3	3.4
Montana.....	591,024	4	1.9	1.6
Nebraska.....	1,325,510	6	4.2	2.4
Nevada.....	160,083	3	1.5	1.6
New Hampshire.....	533,242	4	1.1	1.5
New Jersey.....	4,835,329	16	15.6	3.3
New Mexico.....	681,787	4	2.2	1.9
New York.....	14,830,192	45	47.2	3.6
North Carolina.....	4,061,929	14	12.9	3.2
North Dakota.....	691,636	4	2.2	1.9
Ohio.....	7,946,627	25	25.2	3.5
Oklahoma.....	2,233,351	8	7.1	3.1
Oregon.....	1,521,341	6	4.9	2.8
Pennsylvania.....	10,498,012	32	32.8	3.6
Rhode Island.....	791,896	4	2.5	2.2

Tables comparing the prospective voting power of the average Hawaiian-Alaskan voter in the election of United States Senators and a United States President with the voting power of the voters of the 48 States—Continued

State and Territory	Population (1950 census)	Number of presidential electors	Voting power of average Hawaiian-Alaskan voter versus 1 vote for voters of other States for—	
			(A) United States Senate	(B) United States President
South Carolina.....	2,117,027	8	6.7	2.9
South Dakota.....	652,740	4	2.0	1.8
Tennessee.....	3,291,718	11	10.5	3.3
Texas.....	7,711,194	24	24.5	3.5
Utah.....	688,862	4	2.2	1.9
Vermont.....	377,747	3	1.2	1.4
Virginia.....	3,318,680	12	10.5	3.0
Washington.....	2,378,963	9	7.6	2.9
West Virginia.....	2,005,552	8	6.3	2.8
Wisconsin.....	3,434,575	12	10.9	3.1
Wyoming.....	290,529	3	.9	1.1

The representation in the United States Senate for Hawaii and Alaska is acquired by a corresponding reduction of the present power of representation of the people of the 48 States in that body, today. The right of suffrage equal to that of 6,356,000 persons is taken from the 152,572,000 residents of the 48 States in varying percentage amounts and is transferred to the 628,437 residents of Hawaii and Alaska.

Statehood will give Hawaii and Alaska 4 votes in a Senate of 100 Members or one twenty-fifths of the membership. Although their combined population is only one two-hundred-and-forty-two-seconds of the population of the 48 States. This grant of one twenty-fifths of the membership in the United States Senate dilutes and diminishes by that fraction the representation in that body of the people of the 48 States.

POLITICAL POWER IN THE PRESIDENTIAL ELECTION, A MAJOR CONSIDERATION

The disproportionate advantage of Alaska and Hawaii would also apply in the presidential elections. Upon admission, these States would have a total of 7 electoral votes, an average of 1 electoral vote for each 89,776 inhabitants. The 152,572,000 people of the 48 States, with a total of 531 electoral votes, are entitled to 1 electoral vote each for an average population of 287,300. Thus, the voter in Hawaii and Alaska would have an average voting power in the election of a United States President 3.2 times greater than the average vote of the voter in the 48 States.

The comparison of the voting rights of the voters of Hawaii and Alaska—combined—with that of the people of the 48 States in presidential elections is contained in schedule B of the accompanying table, page 16a.

The electoral vote of 2,011,100—7 electoral x 287,300 average population for 1 electoral vote—persons will be taken from the 152,572,000 residents of the 48 States and transferred to the 628,437 residents of Hawaii and Alaska. The disfranchisement of the residents of the 48 States applies not only to the executive branch but also applies to the judicial branch of our Government because the appointing power to the judiciary lies with the President.

The total electoral vote will be temporarily increased to 538 by the 7 electoral votes of Hawaii and Alaska. After the 1960 census, the House of Representatives would be reapportioned to reduce the temporary membership of 438 to 435. With the Senate increased to 100 Members, the electoral

college would be permanently increased to 535 members.

Although the combined population is only one two-hundred-and-forty-seconds of the population of the 48 States, Hawaii and Alaska (combined) would enjoy one seventy-sixth (or seven five-hundred-thirty-fifths) of the total voting strength of the 48 States in the election of a President. The right of suffrage of the 48 States in this respect is diminished by that fraction.

THE DILEMMA OF STATEHOOD

Congress is confronted with the unpleasant alternatives of continuing to withhold statehood and Federal representation for the Territories of Alaska and Hawaii or to grant statehood under terms that would unduly reduce the Federal representation of the people of the 48 States. Under present provision of the Constitution, a difficult choice must be made between the following alternatives:

A. By the denial of statehood:

1. Shall 499,794 citizens of Hawaii and 128,643 citizens of Alaska continue to be denied representation in the United States Senate and be limited to representation in the United States House of Representatives by a nonvoting delegate? and

2. Shall these citizens continue to be denied representation in the executive and judicial branches of the Federal Government by the lack of suffrage in the election of a President? or

B. By the grant of statehood:

1. Shall the citizens of the 48 States be disfranchised to the extent of one twenty-fifth of their representation in the United States Senate and shall that share of representation (possessed on an average by 6,357,168 citizens of the 48 States) be transferred to the 628,437 citizens of Hawaii and Alaska? and

2. Shall the citizens of the 48 States be disfranchised to the extent of one seventy-sixth of their electoral college voting rights in the election of a President and his appointment of the judiciary and shall that share of representation (possessed on an average by 2,011,100 citizens of the 48 States) be transferred to the 628,437 citizens of Hawaii and Alaska?

It is my conviction that neither alternative can wisely and justly solve this subverting dilemma.

POSSIBLE SOLUTIONS IN PROPOSED CONSTITUTIONAL AMENDMENTS

There have been a number of joint resolutions introduced in the House of Representatives proposing constitutional amendments to deal with the problem of statehood.

One group proposes to empower Congress to determine whether the newly admitted State shall have either no representation in the United States Senate, or 1 Senator or 2 Senators. While the intent of this resolution is laudible, the political pressures upon Congress would probably prevent a non-partisan consideration of this determination.

The second group would provide for the admission of States by the same procedure that is required for an amendment to the United States Constitution. This proposal appears to be a procedural and not a substantive amendment. It would serve to erect an almost insurmountable barrier to statehood. The proposal has the advantage of placing the final decision of statehood in the State legislatures which represent the people affected more closely than either House of Congress. It offers no cure for the weakness of disproportionate representation.

The third, a resolution, House Joint Resolution 208, introduced by this writer, proposes a limitation upon representation in the United States Senate for newly admitted States. It would establish an inflexible standard of representation in the United

States Senate on a basis proportionate to population. By its provisions, any State hereafter admitted, upon attaining a population of one-half of the average population represented by each Senator (1950 Census: 794,646), would become entitled to 1 United States Senator. Upon attaining a population of $1\frac{1}{2}$ of the average population represented by each Senator (1950 Census: 2,383,938) it would become entitled to 2 United States Senators.

JUSTIFICATION FOR HOUSE JOINT RESOLUTION 208, PROPORTIONATE POPULATION REPRESENTATION IN UNITED STATES SENATE FOR NEWLY ADMITTED STATES

The Senate today, in terms of power derivations, accountability, and representation, constitutes another House of Representatives. Since the reason for equality of senatorial representation no longer exists, there is no further need for this constitutional provision. The only other tenable apportionment for the exercise of senatorial power is that of representation proportionate to population.

The proponents for statehood contend that Hawaii has a larger population than a number of States. They contend that it would be unfair to limit their senatorial representation as a condition to statehood. An adequate answer to this contention is that while article V of the Constitution prohibits depriving any State of its equal suffrage in the Senate, this protection does not apply to Hawaii and Alaska since they are not States and cannot be deprived of a power they do not now possess. It has been suggested that the present senatorial representation be rearranged. This is neither practicable nor constitutionally possible, since this protection of Senate suffrage is not amendable.

The farsighted statesmen who drew our Constitution were very careful to make this Constitution flexible enough to allow an amendment for the admission of States without the representation of two Senators.

The clause of article V of the Constitution, "that no State, without its consent, shall be deprived of its equal suffrage in the Senate," carries a double connotation.

First: The Constitution cannot be amended to deprive any State of equal suffrage in the Senate without its consent.

Second: The Constitution cannot be amended to deprive a State of its power to consent to be deprived of its equal suffrage in the Senate.

The farsighted vision of a possible gross inequality of representation in the Senate is confirmed by a study of the deliberations of the Constitutional Convention. In the considerations of the provisions of article IV, section 3, "new States may be admitted by the Congress into this Union;" the Convention deleted, by a 9-to-2 vote, a proposal to the effect that "new States be admitted on the same terms with the original States."

The Constitution affords ample authority to justify an amendment to equalize, per population, senatorial representation for States to be admitted.

STATEHOOD POSSIBILITIES FOR DISTRICT OF COLUMBIA, PUERTO RICO, GUAM, VIRGIN ISLANDS, SAMOA

No one can accurately foretell what lands and peoples may seek statehood in future decades. The holdings of the United States, in addition to the trusteeship of the trust islands in the Pacific, are the incorporated Territories of Hawaii and Alaska, the vague commonwealth status of Puerto Rico, the unincorporated but organized territories of the Virgin Islands and Guam, and the unincorporated and unorganized possession of American Samoa.

The residents of these Territories all enjoy United States citizenship excepting those in Samoa, who are classified as "nationals."

The people of each of these possessions, and the people of the District of Columbia aspire for statehood. The Virgin Islands hints for a delegate to the House of Representatives. Delegates to both Houses of Congress have been proposed for the District of Columbia.

Each of these political entities are edging toward statehood. In the coming half century, Congress will be called upon to decide their fate without any principle to guide it in relation to representation in the Senate and the electoral college. Certainly, the determination should not rest upon the political expediences that may exist at that time.

House Joint Resolution 208 would provide Congress with an equitable basis for the consideration of statehood and remove the problem of representation from the strains of party politics. It would establish a just and inflexible standard of equal application to all States hereafter admitted. It would lessen the clamor for statehood where it is sought primarily for the political powers inherent in two seats in the United States Senate.

OTHER ASPECTS OF STATEHOOD: ECONOMIC DEVELOPMENT

The proponents of Alaskan statehood claim that statehood would advance the economic development of Alaska. This hope does not conform to historical fact.

Hawaii and Alaska have had territorial status for about the same length of time. Yet, Hawaii has progressed at a far more rapid pace, economically, than has Alaska. Hawaii's economy compares quite favorably with that of the States. It is not the political status that accounts for the differential in the rate of their economic growth. The growth of Hawaii can be principally ascribed to favorable physical characteristics, the temperate climate, and her arable lands.

Government expenditures and gross national product

Calendar year	Gross national product	Government expenditures					
		Amount			As a percentage of gross national product		
		Total expenditures	Federal expenditures	State, local expenditures	Total expenditures	Federal expenditures	State, local expenditures
	Billion	Billion	Billion	Billion	Percent	Percent	Percent
1929.....	\$104.4	\$10.2	\$2.6	\$7.5	9.8	2.5	7.3
1930.....	91.1	11.02	2.7	8.2	12.1	3.0	9.1
1940.....	100.6	18.4	10.08	8.3	18.4	10.0	8.3
1950.....	285.06	61.2	40.9	20.2	21.5	14.4	7.1
1953.....	364.8	102.5	78.05	24.4	28.1	21.4	6.7

The above table indicates that Federal spending of our national production increased from 2.5 percent in 1929 to 21.4 percent in 1953. An increase of more than eightfold. In the same period, the spending by States decreased from 7.3 percent to 6.7 percent of our national production.

The founders of our Constitution envisioned a government of limited national power. The residuary power of the States was conceived to be far greater quantitatively than the powers granted to the Federal Government. The grant of two Senators to each State was based upon these assumptions. Appointment by legislatures was devised to safeguard this objective.

The above table proves that the exercise of Federal power, 21.4 percent of production, is more than 3 times the exercise of State power, 6.7 percent. This shift from State power to Federal power coincides with the alteration of our mode of selection of Senators from that of legislatures to that of popular suffrage.

The equitable measure of representation for a dominant national government is that of representation in proportion to popula-

THE VOTE IN ALASKA

The office of Delegate is the highest elective office in Alaska. The total vote cast for that office in the 1954 election was 26,999. This compares with the latest estimated civilian population of 132,000. No attempt will be made to analyze the reason for the meager ratio of vote to that of population.

When compared to congressional districts which cast from 150,000 to 200,000 votes, the voting differential is startling. This vote sharply and clearly shows up the fantastically excessive disproportionment of allowing 2 Senators to be elected by the choice of 27,000 voters.

LOSS OF INDIVIDUAL LIBERTIES—THE GROWTH OF NATIONAL POLITICAL POWER—THE REDUCTION OF STATES RIGHTS

The past 25 years, can be noted for the vast and alarming growth and concentration of power in the National Government. A parallel concentration continues to take place in the executive branch of our Government. These increasing concentrations of power coincide with a reduction of powers of the States, the loss of sovereign rights and liberties of the people, and the deprivations of the legislative powers and responsibilities of Congress.

Statehood for these Territories would accentuate the inequalities of senatorial representation. It would tend to strengthen the national concept and weaken States rights. It would increase the pace of nationalization of local government services and concentrate power in the Federal Government and in the executive branch.

There is no standard of measurement of political power. There is however a standard for the measurement of the exercise of power. This standard is the percentage of the national product siphoned off by our Government. The following table illustrates the increase in the Federal absorption of our national production:

determine the expenditure of more than \$60 billion per year. That share of power to spend is \$1.2 billion. Yet Alaska's responsibility for the collection of the amount to be spent, \$60 billion, as represented by her Federal taxes, is only \$48 million, or more than 1,000 times less than the total national expenditure. Alaska's 2 Senators would be accountable to a population of 132,000 (27,000 votes) although her 2 Senators would enjoy the senatorial power possessed on the average by about 3 million people of the Nation.

REPRESENTATION IN THE UNITED STATES HOUSE OF REPRESENTATIVES

This problem poses a number of unpleasant alternatives. The present bill would increase the Members of the House by three seats allotted to the Territories. The membership of the House is increased from 435 to 438 Members. Although the membership of the House is to be increased, the increase is made not because of any advantages or need to increase the size. In fact, the present limitation of 435 Members was a careful decision as to the maximum desirable membership. The proposed increase by three seats is provided in this bill for the purpose of accommodating the proposed new Members. It is intended to anticipate the necessity for reducing the Representatives from other States if the membership is permanently limited to 435 Members.

Hawaii bases her claim to 2 Representatives upon the United States census population figure of 499,794. The latest estimate of her population would indicate that after 1960 her representation would probably be reduced to one Representative. Yet, the membership of the House is being permanently increased by 2 seats to accommodate Hawaii's proposed Representatives and 1 seat to accommodate Alaska's Representative. Although, as of today, Hawaii is only entitled to one Representative.

If H. R. 2535 is amended so that the increase of membership in the House is temporary and will be reduced to 435 after the 1960 census, then the additional representation from Hawaii and Alaska will be included at the expense of representation from some other State. That reduction will probably be at the expense of those States who have failed to increase their population in pace with the national rate. The States that have shown a loss of population between the 1950 census and the July 1, 1952, estimates are:

Loss in population

State:	
Maine.....	22,000
New Hampshire.....	1,000
Vermont.....	7,000
Iowa.....	13,000
North Dakota.....	17,000
West Virginia.....	36,000
Tennessee.....	32,000
Mississippi.....	15,000
Arkansas.....	65,000
Oklahoma.....	9,000

If the membership of the House is retained at 435 by an amendment in the House or Senate, then we commit ourselves to reducing the representation of other States by either 2 or 3 seats to be allotted to these Territories.

The Federalist, Paper No. 58, warns us against a multitudinous representative assembly. Excessive numbers lead not to democratic processes but, on the contrary, to government by the few.

The latest United States Census population estimates (1954) for these Territories are:

Alaska:	
Civilian.....	132,000
Military.....	50,000
Total.....	182,000

Hawaii:	
Civilian-----	467,000
Military-----	55,000
Total-----	522,000

Due to our military bases, the ratio of military personnel to the civilian population is far greater in these Territories than exists in the other States. The military personnel consists of citizens and inhabitants of the 48 States. Yet the census makes no differentiation but adds the military population to the civilian in computing their entitlement to representation. This method violates the intent of amendment 14, section 2, of our Constitution.

Article II, section 2 of the proposed Hawaiian constitution provides:

"No person shall be deemed to have gained or lost residence simply because of his presence or absence while employed in the service of the United States."

Thus we find that both Federal civilian and military personnel are excluded from the right of suffrage by this section. Yet, their numbers are added to establish a base for Hawaii's entitlement to representation in the United States House of Representatives.

This section would appear to constitute an abridgement and denial of the right to vote. If so, then amendment 14, section 2 provides that the basis of representation shall be reduced in proportion. This writer suggests the desirability of congressional action to conform the apportionment of representation in Hawaii and Alaska with the requirements of amendment 14, section 2 of the United States Constitution.

The Alaska Statehood Committee reports that Alaska is politically impotent in Washington because it has no voting representative in either House of Congress.

During this writer's short tenure here, both Hawaii and Alaska have had the benefit of the finest, most capable and diligent delegates. They would bring honor to any constituency. They have distinguished themselves by outstanding service to this Nation and to the territories they represent.

Most Representatives are limited to serving on one standing committee of the House. These committees vary considerably in the volume and importance of the legislation referred to them. The distinguished delegates from Hawaii and Alaska enjoy the unique advantage of membership on three major committees: Agriculture, Armed Services and Interior and Insular Affairs. The delegate from Alaska, in addition, serves on the Merchant Marine and Fisheries Committee.

Their service on these committees gives them the advantage of an association with fellow committee members which no other Representative enjoys. This opportunity enhances their influence and power.

The great mass of decisions made by Congress are made without a vote. The influence upon legislation in Congress can not be measured by the right to vote. It is not a pleasant task to vote in opposition to measures which have adverse political repercussions for a fellow member of the House. It is not conducive to political good-fellowship. This distinguished delegates are saved from this necessity. When balanced out, the disadvantages of the lack of a vote are far outweighed by the advantages accruing to the delegates.

CONCLUSIONS AND RECOMMENDATIONS

Mr. Chairman, the following conclusions and recommendations are respectfully submitted to this committee as an equitable disposition of this problem:

1. Statehood for Hawaii ought to be deferred until she has unquestionably eliminated communistic influences in her political, economic, and social structures.

2. Statehood for both Hawaii and Alaska should be deferred pending the adoption of

an appropriate constitutional amendment to provide for representation in the United States Senate on a basis proportionate to population.

3. If statehood is to be granted upon the basis of equal representation in the Senate, then admission should be approved by three-fourths of the States pursuant to a constitutional amendment providing for the admission of States by the same procedure that is now required to amend our Constitution.

4. Congress should immediately grant to each Territory the autonomy of statehood with full power of self-government in such form as may be recommended by the Territories.

The autonomy would include:

(a) Complete executive power with the right of election of Governor.

(b) Full legislative power over all Territorial affairs, including public lands, fisheries, and subsurface resources.

(c) Exclusive judicial jurisdiction.

5. The enactment into Federal statute of such reasonable restrictions, comparable to limitations in their proposed constitutions, as may be recommended by the Territories to safeguard individual liberties and to insure a republican form of government.

6. The immediate and outright grant to Alaska of specifically described public lands to be selected by the Territory from vacant, unappropriated, and unreserved lands, not to exceed 20 million acres.

7. Grants of \$7 million each year for a period of 5 years to defray the cost of governmental services assumed from the Federal Government.

This solution would strengthen and unify this Nation in the years to come. It would help preserve the rights of the States and the liberties of our people. The cause of justice and freedom would be advanced.

JOHN R. PILLION,

Member, United States House of Representatives.

FEBRUARY 14, 1955.

Community Action: A Key to Rural Progress

EXTENSION OF REMARKS

OF

HON. J. PERCY PRIEST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. PRIEST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. HAROLD D. COOLEY, of North Carolina, chairman of the House Committee on Agriculture:

A great and latent force is being remobilized in America.

It was present at the birth of civilization. It brought mankind out of roving in wildernesses. It was the strength of mutual effort in the American Colonies and in the founding and formative years of our great Nation.

This force is the community spirit.

But somehow in many places this spirit seemed to have receded in our new age of invention, of bigger and glittering cities, of fast travel, of movies, radio, television, gadgets, in the myriad of other devices for entertainment and diversion—and in a kind of snobbery for many simple virtues.

The results have become plain to all of us, in the shapes of an alarming growth in juvenile delinquency, of crime, of rotting little towns, of neglect of community loyalties and pride, and a lack of the full satisfactions of a free trade in friendship and common purpose that community effort nourishes.

But now I believe one of the best signs of our time is that more people feel a need to reexamine the old virtues of neighborliness, of mutual concern, and of community action.

We can tell as we travel across our own great State where the community spirit has been revived or was never lost. We see it in the beautiful farms, well-kept church and school buildings, in evidences of work and pride all around. We can tell, too, where the spirit has withered.

The story of the Rabbit and Cat Creeks community in western North Carolina should be an inspiration to all of us. In 1936 a survey showed that the land there was eroded, crop yields small, homes were poor, the standard of living was low, and the church and school needed attention. The people decided to do something about this. And today that community is a symbol of the progress that comes of community action. There are other models in our State for us to work by.

I believe a great new ground swell in community action awaits only upon leadership and organization.

Someone has said that a community is the image of the people who live in it and I think a good start can be made by each citizen asking himself or herself a few questions:

Am I proud of my community?

Do I boast about it to other people?

What are the good points of my community? Also, what are its needs, and how can those needs be met?

Could better living result if more of my neighbors and I worked together in a community program?

What can we do to start such a program or to move it forward?

I was impressed recently by a news story from Butler, Mo., that started off by saying, "You'd be surprised to see what they are doing here in Bates County to those old, abandoned rural schoolhouses." The story then told how the people there were putting pretty drapes at the windows and bright linoleum on the floors—making them into cheerful clubhouses where they meet to discuss community affairs, eat home-cooked food and have loads of fun.

That a revival of community action is about to take hold in a big way is demonstrated in a motion picture I recently saw. It was produced by one of the big automobile manufacturing companies and bore the title "The Town That Came Back." The theme of the picture is that it always takes people to make anything happen. It is the true story of a group of people who breathed new life into the almost-dead community spirit of a small Midwestern town.

Neighbors in this town hardly knew each other any more and there was not much left to hold young people in the community.

Then somebody got the idea of reactivating a 4-H Club, and things began to happen. Where there was disinterest and defeat, a new community now thrives.

It is a story that could be repeated a thousand times over across this broad and good land of ours.

One of our great Presidents, Woodrow Wilson, always stressed the importance of the community, and he once had this to say:

"When I look back on the processes of history, when I survey the genesis of America, I see this written on every page, that the nations are renewed from the bottom, and not from the top; that the genius which springs up from the ranks of unknown men is the genius which renews the growth and energy of the people."

I am impressed, too, by a statement that comes from the Committee for Economic Development, an organization of the Nation's top business leaders, as follows:

"America came to greatness from her grass-roots, and it is from life in small communities that strength must continue to flow and nourish our country toward greater accomplishment which can be shared by all. The hope of America is not that our huge

cities shall become more vast—it is rather that the small communities shall consolidate their opportunities to grow and become better, more interesting places for our people to live in and prosper. In the final analysis, our Nation is just one community added to another until the splendid total makes us what we are."

What needs to be done is clear. How to do it provides the problem—and the challenge. "If," said the shrewd Portia, "to do were as easy as to know what were good to do, chapels had been churches and poor men's cottages princes' palaces."

First, in considering community action, it must be remembered that to get anywhere, it is necessary to start from where you are, and that nothing will run itself except when it is going downhill.

A few public-spirited citizens can start a community-betterment program. I believe that all that's needed is a sincere interest in the community and a willingness to assume initial leadership in arousing general interest and enthusiasm in community self-improvement.

The University of Illinois, after considerable study, has published a bulletin on how a betterment program can work in the community. This suggests steps in organization, as follows:

1. A public mass meeting at which everyone could speak his mind, where experiences of other communities with improvement programs can be discussed, and where specific needs of the community can be reviewed.
2. A community council should be organized at the public mass meeting. This council would serve as the overall planning and directing force of the betterment program. The council should be a broadly representative group, its members coming from the various occupations and interests of the community, including youth organizations. It would formulate general policies as guides in developing action programs.
3. An executive committee, drawn from the members of the community council, should be named as the first step in setting up action machinery to transform general policies into definite projects.
4. Action subcommittees should function to follow through on specific action programs.

While the program will not change a community overnight, the payoff in a more satisfying community life can be expected within a short time after it is started. Better streets, better recreational programs, community beautification, new business and industries—these may be some of the first signs that the program is beginning to work.

Then it will be known that the spirit of neighborliness and mutual concerns and efforts that sustained our forefathers in conquering the wildernesses has returned. This will be a happy day.

The community spirit simply is friendship in action.

Thomas Masaryk

EXTENSION OF REMARKS OF

HON. JOHN C. KLUCZYNSKI OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. KLUCZYNSKI. Mr. Speaker, today all freedom-loving people throughout the world are observing the 105th anniversary of the birth of the founder and liberator of the Czechoslovak Republic. Speaking of Thomas Masaryk, as one of the greatest statesmen, politicians, philosophers, and above all a

real democrat of the 19th and 20th centuries, one cannot forget how deeply rooted were the principles of true Americanism that were embodied in this great man. Emil Ludwig, considered to be a great German biographer, once put this question to Bernard Shaw: "Who could be President of the United States of Europe?" to which the distinguished British playwright answered: "I know of only one man—he is Masaryk."

And it was Masaryk who believed so strongly in the idea of uniting all Europe, despite the fact that first he began by uniting his own beloved country. He knew, however, that "federation without freedom is impossible" and if any of our statesmen of the past had followed the political line of thinking that Masaryk had laid down and preached many years ago, they never would have made the mistakes for which millions of human beings have had to pay so dearly. The man who had founded one of the greatest democracies existing between the two world wars had this to say on democracy:

Democracy is a fight for humanly free and unfolding world order with no dictatorial and repressive prerogatives for any.

Can these words be quoted today by those who rule that unfortunate country? It therefore is no surprise to us that the Communists do not claim him. What is more, his works have been criticized by them. His simple room, which even the brutal Nazis respected during the occupation, has been entirely changed by Gottwald, the man who calls himself President of the Czechoslovak Republic. Thomas Masaryk's modesty and simplicity were not only expressed by his teachings, but also through his actions. It followed him throughout his entire life. His humility and modesty were born with him and did not leave him until he died.

Thomas Masaryk was born on this day in 1850, 2 years after the manifesto of socialism was announced in Germany. His father was an ordinary coachman and his mother a former household servant. Yet he received the best education one could get in those days. He spoke German, French, and English very fluently, and was well versed in Latin and Greek. In his early years he had a passion for the theater, and throughout his life he adored poetry. In fact, Preston Warren, Masaryk's biographer recalls that Masaryk, speaking for Paderewski against those who believed the latter should keep to his music rather than to get mixed up in politics said:

The bearing of poetry upon politics, and to reveal the artist Paderewski as a true political awakener of his people. Poetry educates imagination, a vision of the future, a penetration into the souls of others.

For us Americans, it is important to recall one major aspect of Masaryk's life, which was that he was devoted to the same principles laid down by the Fathers of our Country. I refer here to the wife of Thomas Masaryk, Charlotte Garrigue, a young American who had been a pupil of Liszt. She was his whole inspiration, both in his domestic and political life. The love for the American principles, which he imbedded in his

own country can only be explained through the wonderful relationship between Thomas Masaryk and his wife.

When Thomas Masaryk died in 1937, it was Eduard Benes, his greatest friend and follower, who spoke these words at the great Czech's grave:

How can we be other than calm, clear, and firm when we look upon the clear and straight path which that life shows us? How beautiful and how exalting it is to see that this great warrior, who never shirked a fight, leaves us in harmony with himself, with his faith in Divine Providence, in harmony with his environment, with his faith in man, faith in the ultimate triumph of man, in the triumph of justice and truth, in the triumph of humanity here against us, in Europe, and throughout the world.

This was Thomas Masaryk who had gone already into history with the greatest men mankind has known.

The Ohio River Flood

EXTENSION OF REMARKS OF

HON. THOMAS A. JENKINS OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. JENKINS. Mr. Speaker, the Ohio Valley has suffered, and is now suffering from the results of a terrific flood. The damage resulting from these widespread floods can hardly be estimated. Every house in some of the villages has been reached by the flood, and the people have been driven from their homes, leaving their furniture behind them. Likewise, many stores and business houses have been flooded, the water reaching to the ceiling and destroying valuable stocks of goods. Plants have been flooded and many thousands of persons have lost many days employment at their places of employment. I would say that the damage on the Ohio side of the river from Marietta to Cincinnati would amount to tens of millions of dollars.

While these Ohio River floods are terrifically disastrous to properties, it is a very consoling fact to know that very few lives are lost in any of these Ohio River floods. This is due to the fact that the river rises slowly and the people have a chance to get out of the way of the water and they generally have a chance to take with them their livestock and some of their other possessions.

As is generally known, the Federal Government has control over the navigable rivers of the country. This control is exercised through a very competent Government agency known as the Army engineers. In these flood seasons the Army engineers are always busy in their efforts to minimize the effects of the floods where they possibly can.

The Congress of the United States has taken an interest in the destructive floods which affect our country. This is especially true of the Ohio Valley. While it has not been expected that the Government would restore property destroyed in floods, the Government has, through the

Congress on a number of occasions, passed legislation that was greatly to the benefit of those who might suffer from the results of disastrous floods. The two most disastrous floods that afflicted the Ohio Valley occurred in 1913 and 1937. Of these two floods, the 1937 was the most disastrous.

Following the 1937 flood former Congressman William M. Whittington and I decided to attempt to secure the passage of legislation that would relieve against future floods, especially those of gigantic proportions. We were successful in our efforts because the Members of Congress appreciated the destructive effects of big floods. Our legislation provided, in effect, first that the Army engineers should find that the location was such that flood defenses would be practical. If it was found that the construction of a flood wall was feasible, then the community would be required to purchase the rights-of-way that would be necessary upon which to construct the proposed flood walls. If the Army engineers found that the construction of a flood wall would be feasible, then it would be necessary for the city to issue bonds or to find the funds in some other way to purchase the rights-of-way. The law further provided that if and when the rights-of-way had been purchased, the Government would have the power to provide the other funds necessary to construct the walls and would proceed to construct them. This construction would then be done under the direction of the Army engineers and to the full approval of the engineers and the officials of the city or village which was being protected.

Having been familiar with the provisions of the law I naturally proceeded immediately to secure the benefits of the law for my home city of Ironton, Ohio, and for her people. We had no doubt that the Army engineers would find that our beautiful city of about 35,000 population, with many fine dwellings and business houses, and many large factories and mills would qualify for the construction of protective flood walls.

The Army engineers did find Ironton, as a city, meeting the physical qualifications.

It was then up to our people to secure the rights-of-way. They did this, promptly, by voting a bond issue of \$750,000, which was used to purchase the rights-of-way. Because of our alertness and our desire to comply with the law and secure flood protection for our city and our people we soon had the Army engineers at work drawing the plans for adequate flood protection. Soon, thereafter, the Government arranged to contribute about \$4 million, which was the amount required to do the work and to meet the amount provided by the city of Ironton and her people.

With the financing and the plans all arranged bids were asked for and a contract was soon entered into and in due course our beautiful city of Ironton was secure behind large, adequate walls.

Our city of Ironton was the first city in the whole United States to get a flood wall under the law that Mr. Whittington and I were responsible for its passage.

Naturally, we are all proud of this, and still more proud because we are protected against any more destructive floods, that previously put 15 feet of water in the First National Bank Building, and all the downtown buildings in our fair city, and which also put most of our people out of their homes.

While we, the people of Ironton, were getting our flood wall, the people of Huntington, W. Va., which is a large city located about 15 miles up the river from Ironton, were working diligently to secure a flood wall—they were successful and since that time this large city, with a population of at least 100,000 people, is completely protected.

I was glad and proud that while we were all pushing the development of these flood walls, I was able to render some help to the city of Portsmouth, Ohio, which is located about 25 miles from Ironton, and has a population of about 50,000. It was largely through my efforts that we got a million and a half dollars with which the last of six units of the Portsmouth wall was built.

While Ironton, Huntington, and Portsmouth rest complacently behind flood walls which have cost them and the Government millions of dollars, still I am saddened with the thought that thousands of fine citizens on both sides of the majestic Ohio River living in villages and in the rural sections are still subjected to the scourage of these periodical floods. I surely hope that we can develop many water conservation projects similar to the big dam which bears my name, and which impounds a lake 10 miles long above Glouster, Athens County, Ohio; and which holds back a great quantity of water from rushing down to the Ohio to augment the raging floods already pouring down the Ohio. There are a number of conservation projects in the Muskingum River in Ohio which have held back great quantities of water and thereby have reduced the amount of water flowing into the Ohio. I hope we can construct many more of these in our country.

Mr. Speaker, floods are terrific, but ours is a great country and I think we can and will control the floods for the protection of all our people.

No Free Enterprise for the Gold Miner

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1955

Mr. ENGLE. Mr. Speaker, every producer has the right to sell his product in the best market which bidding under conditions of freedom and full information provide. This proposition is incontrovertible.

The producer of gold is the only producer who must sell his product at a fixed price and is compelled by law to sell it to a single buyer, the United States Government.

This constitutes an unjust combination of economic servitude and reprehensible monopoly.

UNCONSTITUTIONAL

It is repugnant to the American principles of free enterprise and contravenes the letter and spirit of the Constitution.

It is a denial of the right to sell and the correlative right to buy.

It forces the gold miner to surrender the fruit of his labor at an arbitrary price to a single buyer.

NOT LEGAL

Denying the gold producer the greater value which a free market would afford is a deprivation of property without due process of law.

The law compels the Interstate Commerce Commission to establish rates which permit a reasonable return on a fair value of the property. Under this statutory duty railroad rates have been raised 5 times since V-J day for a total of 52 percent.

LIVING RETURN DENIED GOLD PRODUCERS

This right to a living return does not extend to gold producers.

The law enjoins the Federal Power Commission to set a rate structure on gas which permits a fair return on property. The FPC has construed such a fair return at 6½ percent.

No such consideration applies to the gold producer.

The Civil Aeronautics Board is admonished by law to maintain a rate structure which will permit a fair return on capital and promote the further investment of capital in air transportation.

No such duty has ever been imposed upon the Treasury in the purchase of gold.

Every State utility commission is compelled by law to set rates which will permit a fair return on property and promote the flow of capital into the electric utility industry.

No State, by law or in any other way, has displayed any genuine solicitude for the gold producer.

PARITY PRINCIPLE IN LAW

The Federal Government, recognizing the elementary and imperative duty to survive, incorporated the parity principle in law to assure a fair return to the farmer. At substantial cost to the taxpayer minimum prices are guaranteed for every important farm crop.

There is no price parity for the gold producer.

MINIMUM WAGE FOR WORKERS

The Federal Government enforces a minimum wage for workers. It encourages the organization of workers in order to enable them by collective bargaining to get the best price for their services which the market can afford.

There is no minimum wage for the gold producer. Collective bargaining is impossible.

The tailor and the shoemaker can sell their product in the best market. The gold producer has a tightly bound, dictated market.

HAS BUT ONE CONSUMER

The gold producer has a single consumer totally indifferent to his losses,

although eager to share in his profits, if any.

The owner of a security has well-organized free markets in which he can offer his shares to the highest bidder.

The producer of gold is not permitted to search for bidders.

Freedom of choice is one of the basic human rights in a democracy. In the United States this is denied only to the gold producer. The law treats him as a pariah. He is an economic untouchable.

This malevolent discrimination has brought great hardship to the gold producer. The price of his products was fixed in January 1934. His costs were not fixed.

WAGES UP 189 PERCENT—GOLD REMAINS SAME

Since January 1934, wages have gone up 189.3 percent. Wholesale prices have mounted 130.7 percent. Fuel is 64.2 percent higher. The cost of living has risen 83.4 percent.

The United States Treasury still pays \$35 an ounce for gold. Since the price was fixed in January 1934, the value of the money which the Treasury uses has dropped 43 percent. The ounce of gold

which the producer must deliver is still 100 percent pure. There has been no addition of base alloy to compensate for the decline in the value of the dollar. The cheating has been strictly unilateral.

When the United States abandoned the gold standard in 1933, it was believed to be a temporary expedient justified by an urgent crisis. It left the control of the currency in the hands of a bureaucracy neither elected by nor directly responsible to the people.

CONSPIRACY BEHIND NO GOLD STANDARD

Under the influence of imported English monetary dogma and totalitarian ideology the country has never returned to gold. A sinister conspiracy of silence shrouds the question.

The Federal Reserve Board and the International Monetary Fund both have a vested interest in managed currency. They constitute a mischievous cabal opposing the return of an honest currency. The lack of a common currency denominator, which only gold can provide, has maintained artificial currency values completely out of touch with the realities of fair value.

PREVENTS INTERNATIONAL TRADE

False currency values soothing to the pride of alien ministries have prevented the revival of wholesome international trade.

The stubborn refusal to permit gold to exercise its historic function as a currency has retarded world recovery and placed an intolerable burden on the American economy.

TREASURY PRACTICE UNJUST

Who would say that the \$35 of 1934 could by any stretch of imagination be construed as \$35 today? If that was a pledge of value to us by our Government they owe us now at least \$70 an ounce for gold, but as the Treasury Department is now administering the Gold Act the industry is only allowed to receive value of about \$17 an ounce. And remember, we are not allowed to seek other markets and sell our products to higher bidders.

The gold-mining industry has thus been picked out as the sole victim of a particularly vicious swindle, perpetrated upon it under the power and majesty of the Government which controls our money and presumably stands on the pinnacle of integrity.

SENATE

FRIDAY, MARCH 11, 1955

(Legislative day of Thursday, March 10, 1955)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord our God, who hath cast our lot in pleasant places: We praise Thee for our goodly heritage in this land; we remember with gratitude those whose gifts of head and heart and hand established the foundations of this Nation as they looked to Thee, author of liberty. We bless Thee for the ideals of faith and freedom which they cherished. Help us to hold them dear and to prize them above luxury or ease. Deliver us from pride and self-sufficiency. In times of prosperity, let us not forget Thee; in the hour of achievement, let us not be unmindful of our dependence upon Thee.

Grant to our national leaders purity of motive, soundness of judgment, the faith of their fathers, and to all our people fidelity, integrity, and genuine religion, that there may be concord within our borders and that our America may be an influence for righteousness throughout the world. Bring us, we beseech Thee, speedily out of our present anxiety and confusion into the order and righteousness of Thy kingdom. We ask it through Him who is the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 10, 1955, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed a bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 4720) to provide incentives for members of the uniformed services by increasing certain pays and allowances was read twice by its title and referred to the Committee on Armed Services.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT—ADDITIONAL COSPONSOR OF BILL—CORRECTION

The following request and order were inadvertently omitted from the RECORD of Thursday, March 10, 1955:

Mr. SMITH of New Jersey. I ask unanimous consent that on the next printing of S. 1309, a bill to amend the Federal Employees' Compensation Act

to provide for reimbursement of expenditures from the Employees' Compensation Fund by Federal employing agencies, the name of the senior Senator from New Hampshire [Mr. BRIDGES] be added as a cosponsor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. GEORGE, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee Investigating Unemployment of the Committee on Labor and Public Welfare and the Subcommittee on Defense Production of the Committee on Banking and Currency were authorized to meet during the session of the Senate this afternoon.

Mr. LANGER. Mr. President, I ask unanimous consent that the Subcommittee on Juvenile Delinquency of the Senate Judiciary Committee be permitted to meet this afternoon. The meeting is in connection with taking care of thousands and thousands of Indians who are on the verge of starvation and who have a great many small children.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.